Daily Report

East Europe

FBIS-EEU-91-134
Friday
12 July 1991

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FBIS-EEU-91-134 *12 July 1991*

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Pashko Tells EC Visitors of 'Grave' Situation

AU1107153491 Tirana ATA in English 0924 GMT 11 Jul 91

[Text] Tirana, July 11 (ATA)— [Words indistinct] the delegation of the European Community Commission, headed by Herman de Lange and John Maslen, was received by the deputy premier of the Council of Ministers and Minister of Economy Gramoz Pashko, who informed it at length of the grave economic situation the country is experiencing, of the food shortages, and of the efforts the National Stability Government is making to emerge from this situation. He pointed to the need for close coperation between Albania and the European Community, of the indispensable aid it should ensure to carry forward the democratization process and the reforms.

On July 10, the delegation of the European Community made a brief visit to the headquarters of the People's Assembly, where it was received by the deputy chairman of the presidency, Aleksander Meksi.

Likewise, the delegation had meetings and talks at the Ministry of Finance, the Ministry of Economy, the Ministry of Agriculture, at the Albanian State Bank, etc.

Assembly Resolution Calls For Kosovo Republic

AU1207095991 Tirana ATA in English 0808 GMT 12 Jul 91

[Text] Tirana, July 11 (ATA)—The People's Assembly is following with concern the dramatic development of the events in neighbouring Yugoslavia and especially the great danger threatening Kosovo and the other Albanian population living in its own territories in Yugoslavia, where the big Serb national-chauvinistic dictatorship, through constant provocations and the arming to the teeth of the Serbs and Montenegrins is preparing a massacre to drown the Albanians in rivers of blood.

We share in all the efforts the European Community and the CSCE are making to find a peaceful solution to questions for the future of the Yugoslav state and we deem it necessary to reaffirm our full support for the demands of the Albanians to have equal social and human rights with all the other peoples of Yugoslavia. The Albanians are the most ancient people in Yugoslavia ranking the third as for their number, 3 million inhabitants, in that country. According to international acts, they can never be considered a national minority. They should enjoy the unalienable right to decide themselves on their future also in accordance with the Helsinki documents, the UN charter and other acts recognized by Yugoslavia itself.

Aware of the importance of the correct solution of this problem, the People's Assembly of the Republic of Albania states that:

1. The Albanians in Yugoslavia should be recognized the status of their republic in the framework of new Yugoslavia.

2. No problem related to the future of Yugoslavia can be solved without the participation of the legitimate organs of the republic of Kosovo, which embodies the will of the Albanian people of Kosovo.

3. The time has come for an international action in order to halt the criminal hand to the red terror of Serbia and the Serb state for a new massacre in Kosovo. The use of genocide against the Albanian population in Kosovo and other Albanian territories of Yugoslavia will turn into a fight for existence of the Albanian people in these territories and will face the reaction of the whole Albanian nation. This may be of unseen consequences in the destabilization of the situation in the Balkans and Europe.

4. The parliament of the Republic of Albania calls for a commitment of all international organisms such as CSCE, United Nations and all the parliaments of the European states and the United States of America and other states of the world for a peaceful and democratic solution of the disagreements among the nations in Yugoslavia, where the republic of Kosovo will be equal with the other republics of Yugoslavia.

The legitimate will of the Albanian people of Kosovo is undeniable.

Party Urges Kosovo Recognition

AU1107153091 Tirana ATA in English 1200 GMT 11 Jul 91

[Text] Tirana, July 11 (ATA)—The newspaper REPUBLIKA carries in today's issue a petition of the Albanian Republican Party entitled: "Kosovo—A Republic With Equal Rights Like All Its Counterparts in Yugoslavia".

Through this petition, consisting of 6 points, the Republican Party resolutely demands that the Government of Albania recognise the Republic of Kosovo, proclaimed by legitimate representatives of the people of Kosovo, and appeals to all the governments of the world to recognize this republic with full rights like all other republics in the SFRY. Besides, the petition demands that the occupying Serb and Yugoslav forces be immediately withdrawn from the Republic of Kosovo and that peace and tranquillity prevail there. "Kosovo is a republic, nobody has the right to deny this historical reality", the petition says in conclusion.

War Veterans on 'Chauvinistic, Big Serb Policy'

AU1107153391 Tirana ATA in English 0946 GMT 11 Jul 91

[Text] Tirana, July 11 (ATA)— The grave political situation among the nationalities in Yugoslavia has already attracted the attention of international public

opinion. The Albanian veterans are profoundly convinced that it is a consequence of the chauvinistic, big Serb policy against the other nationalities and particularly against the Albanian nationality in Kosovo and other territories of Yugoslavia.

Prompted by national and humanitarian feelings, the Albanian veterans, including also those thousands who fought side by side with our brothers in Montenegro, Kosovo and southern Bosnia, were sincerely convinced that with the victory of the anti-fascist war, the peoples would determine their destiny themselves. But their sacrifices and blood shed jointly for the same goals suffered an immense disillusionment.

The war veterans of the Albanian people appeal to all international organisms, the whole international public opinion, as well as to all the fighters of the anti-fascist resistence to put a stop to this de-nationalizing and chauvinistic policy, at a time when there is talk of human rights and the rights of the nationalities and of a united Europe.

National Unity Party Conference Reported

AU1107153691 Tirana ATA in English 0943 GMT 11 Jul 91

[Text] Tirana, July 11 (ATA) — The National Conference of the Albanian National Unity Party convened in Tirana. The report and numerous discussions pointed out that the Albanian National Unity Party is now extended into the majority of districts of the country and has formed its physiognomy as a new political force, on a clear and stable organisational base..

The conference gave a report on the ties of this party with its counterparts in some countries of the world, with political parties in Kosovo and Macedonia, with their branches in some countries of Western Europe as well as with the Albanian patriotic associations in our diaspora.

The conference dwelt upon internal problems.

At the end of the conference, the steering committee of the party was elected. The jurist Idajet Beqiri was elected its chairman.

Reportage on Prime Minister Bufi's Italy Visit

WA1007190291

For reportage on the visit by Prime Minister Ylli Bufi, including reports on his talks with Prime Minister Giulio Andreotti, please see the Italy & Vatican City section of the 9 July West Europe DAILY REPORT and subsequent issues.

Reportage on Islami Visit to West Europe

WA1007173S

For reportage on the visit by People's Assembly Chairman Kastriot Islami to Vienna to participate in the CSCE Interparliamentary Union Conference, please see the International Affairs section of the 10 July West Europe DAILY REPORT and subsequent issues.

Zhelev Statement on National Assembly Anniversary

AU1107182391 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 11 Jul 91

[Address by President Zhelyu Zhelev on the anniversary of the Grand National Assembly, in Sofia on 11 July—recorded]

[Text] Esteemed compatriots, yesterday was the first anniversary of the day on which the first democratically elected legislature in our recent history began its work.

This year was filled with numerous difficulties but also with realistic steps aimed at overcoming the difficulties.

Like all institutions and all our society the legislature also had to learn the forgotten traditions of legislative democracy. How should we assess the work of the legislature to this day?

Working under conditions of constant changes in the correlation of political forces in our society and under a growing political polarization, the Grand National Assembly was crucified between the fulfillment of its basic task—the drafting of the new Constitution—on the one hand, and the urgent necessity of adopting laws likely to guarantee democratic reforms in our country.

The National Assembly could be subject and was indeed subject to great criticism. However, we should realistically assess the fact that even the best legislature working under such conditions, under such a pressure of time, would have faced the impossibility of satisfying all demands and needs.

On the eve of the Grand National Assembly's self-dissolution, we should point out that it nevertheless succeeded in accomplishing its major task, namely to draft a new Constitution for the Republic of Bulgaria.

The exceptionally short period within which this Constitution was drafted and voted upon, and the relations of political forces in the legislature determined the shortcomings, contradictions, and imperfections of some of the Constitution's texts.

Nevertheless, the Constitution itself guarantees that such shortcomings can be immediately eliminated after the election of the new National Assembly. The future development of democracy will presumably require other constitutional changes for which there are no obstacles whatsoever.

This justifies my conviction that the new Constitution is a reliable basis for the implementation of democratic processes in our country.

The adoption of the Constitution marks the end of a necessary stage in the development of democratic changes.

Objective prerequisites have been established for holding new legislative elections and for the transition to the essential stage—the stage of the full construction and final change of the political and economic system in Bulgaria.

The following valuable conclusions could be drawn from the first year of activities of the new Bulgarian legislature:

Numerous important laws were not adopted. Many articles of the newly adopted laws will have to be amended in the course of the reform.

Nevertheless, the important thing is that a beginning has been made. The new National Assembly, which is expected to be elected, must pursue the initiated work so that the barrier separating us from Europe and from the civilized peoples may be lifted once and for all.

To ensure the continuity of the initiated process and to guarantee its irreversibility [several words indistinct] local government organs.

The idea of new the legislative and local elections has long since prevailed over the public consciousness.

On several occasions already various deadlines for the elections were discussed, but only now is the Grand National Assembly ready to adopt the necessary bills related to the elections.

There was a tremendous desire for the prompt revival of the principles of a strong local self-government, which is the basis of democracy. The adoption of a law on this subject and the practical introduction of the country's new administrative-territorial organization, however, demand longer periods of work and preparation so that the interests of the population in the territorial communities may be fully and accurately assessed.

The request for holding the legislative elections by the end of September gradually developed as the common stand of all political forces. It was generally agreed that elections for local government organs should be held simultaneously with general elections, so that the new authorities may take over the work of the present provisional authorities as long as new municipalities have not been established as local self-administration authorities.

To implement this common will so that I, as president, may determine 29 September as the date of elections and the government may organize the preparations for holding elections on this date, it is necessary that the Grand National Assembly continue to work with the same intensity after its self-dissolution.

It is totally realistic to expect that the laws on the National Assembly elections should be adopted by 20 July, and the same applies to the electoral law for local self-government authorities.

The urgent changes in the statutes of local authorities should also be resolved by the end of July 1991.

Such laws are necessary for setting a deadline for the elections and for the beginning of the election campaign.

For this reason I appeal to the political forces, urging them optimally to contribute to reaching a prompt agreement on the basic principles of the electoral laws, and I profoundly believe that the National Assembly members will create, on schedule, the necessary legislative basis for setting the deadline of the elections and for their preparation.

The current unrest in the Balkans demands more than ever that we preserve our country's internal stability. Domestic peace is the first and most urgently required condition for the acceleration of democratic processes, and democracy is the only reliable guarantee for promptly rescuing our country from disaster. Democracy is also the bridge leading us to integration with Europe.

Realism, civic responsibility, and political common sense—these are the pillars on which the world's confidence in the new, democratic Bulgaria relies. They guarantee our country's international prestige.

It depends on all of us whether the upcoming election campaign and the elections as such will confirm that we belong to Europe and to the civilized world. Civic peace through the upcoming elections—this is formula of the democratic process today.

Thank you for your attention.

SDS Declaration on Hunger Strike Released

AU1107204191 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 11 Jul 91

[Text] A decision of the National Coordinating Council of the Union of Democratic Forces [SDS] adopted on 11 July states that the National Coordinating Council totally approves the demands and the protest actions of the SDS deputies who announced a hunger strike in connection with the adoption of the Constitution draft.

The SDS National Coordinating Council appeals to all Sofia citizens who are in solidarity with the deputies on hunger strike to express their support through a silent sit-in in full observance of law and order.

All citizens of the country are urged to express their support in a peaceful manner in appropriate places and in accordance with the law.

The group of deputies on hunger strike expressed their two demands:

First, the undemocratic draft constitution should not be signed. Its adoption should be carried out by the new National Assembly after a broad public discussion.

The Grand National Assembly should dissolve immediately and elections for a new National Assembly should be scheduled on the basis of the acting Constitution after necessary amendments.

Under the condition that the present Grand National Assembly should sign the Constitution the people should decide for themselves through a referendum stating whether they accept the Constitution or not, on the basis of a two-thirds majority, as is envisaged for the voting of deputies in the Grand National Assembly.

The second demand of the deputies on hunger strike is that the Grand National Assembly repeal its illegal and unethical instruction about a second oath for National Assembly deputies.

Public Support for Striking MP's

AU1107165991 Sofia BTA in English 1523 GMT 11 Jul 91

[Text] Sofia, July 11 (BTA)—Eighteen MP's of the Union of Democratic Forces (SDS) have been on hunger strike since last night. They spent the night in tents near the National Assembly building close to the St. Aleksandur Nevski Cathedral. The strikers belong to the SDS-National Movement faction which boycotted parliament on May 14. "Yesterday's rally marked the beginning of the Bulgarian gentle revolution," DEMOKRATSIYA writes today.

The MP's are protesting against parliament's decision that the president, vice president, government ministers and MP's take another oath of office by the new Constitution. They opposed the signing of the Constitution which they find "insufficiently democratic and consolidating the communist rule." If the Constitution still gets signed, the fasters insist that it be put to a referendum to approve it by a two-thirds majority.

It was quiet last night. There were no provocations. "All was normal last night when the rally ended and the MP's went on strike," the policemen who guard the parliament building told BTA. Security has been tightened and the crowd control barriers have been advanced.

Mr. Khristo Danov, minister of internal affairs, talked to the strikers last night. The prosecutor general called on the minister of the interior and the mayor of Sofia to take appropriate measures. Mr. Pavel Mazulov, one of the striking MP's, quoted Mr. Danov as saying that he would rather hand in his resignation than order the use of force to disperse the strikers.

This morning Finance Minister Ivan Kostov of the Green Party talked with the strikers. Mr. Kostov said that he would not sign the Constitution and would "perform his ministerial duties."

Last night the MP's were joined by members of the public including poetess Blaga Dimitrova, one of the first dissidents in Bulgaria.

People are swarming around the strikers and hand them flowers or tea, juice or water, they greet them and embrace them.

The members of the Krustyo Pastukhov Club, who were accused of factionalism and expelled from the Bulgarian Social Democratic Party yesterday, will declare a relay hunger strike tonight. The actual reason for their expulsion, however, is that they disagree with the policy line followed by party leader Petur Dertliev.

A rally-concert will be held tomorrow under the motto "tomorrow starts today" which will show the degree of public support for the striking MP's.

MP's Accuse SDS Council of 'Irresponsibility'

AU1107120891 Sofia DUMA in Bulgarian 9 Jul 91 p 1

[DUMA Press report]

[Text] By adopting such "viewpoints," the National Coordinating Council of the Union of Democratic Forces [SDS] shows that political irresponsibility has taken the upper hand within the council, while the authority of the SDS and the united opposition is being deliberately sacrificed for selfish motives and to the advantage of the Bulgarian Socialist Party [BSP]. This is stated in a declaration by the SDS legislative group issued in the legislature on 8 July. The declaration was prompted by the latest viewpoint of the SDS National Coordinating Council that parties and organizations signing the Constitution thereby leave the SDS.

The viewpoint declares that the draft constitution contains a number of undemocratic provisions. According to the view of the SDS legislative group, expressed in the declaration, such unsubstantiated statements are evidence of legal and political incompetence. According to the declaration, by raising its voice in defense of the old constitution, the SDS National Coordinating Council allies itself with the forces that want to retain the Zhivkovist constitution.

'Svoboda' Coalition Supports SDS Right Wing

AU1107120891 Sofia DUMA in Bulgarian 9 Jul 91 p 2

[DUMA Press report]

[Text] Representatives of the eight extralegislative parties that make up the "Svoboda" Coalition for a Turnovo Constitution declared at a news conference held in the BTA offices on 8 July that they are ready to support the position of the right wing of the SDS. They said that this will be possible after conducting an equal dialogue concerning political partnership.

Mr. Georgiev, chairman of the Bulgarian Union for a European Federation, described the legislature as a Fatherland Front one, in view of its composition. The representatives of the remaining parties in the "Svoboda" Coalition said that the adoption of the new Bulgarian Constitution in its present form might be described as an illegal act. They supported the position of the SDS people's deputies who walked out of parliament and laid emphasis on their "honorable" conduct in the present political situation.

Coalition Against Pan-Serbian Policy Planned

AU1107185991 Sofia BTA in English 1631 GMT 11 Jul 91

[Text] Sofia, July 11 (BTA)—A coalition against hegemonistic Pan-Serbian policy will hold its constituent conference in Sofia in a month. Parties from Croatia, Montenegro and Albania plus the Bulgarian National Radical Party—a right wing non-parliamentary party—will attend the conference. The National Radical Party has already signed a preliminary joint declaration.

Mr. Dobroslav Paraga, chairman of the Croatian opposition, is visiting Sofia. "The coalition which will oppose Pan-Serbian policy will consist of eight different parties," Mr. Paraga told journalists today. The coalition will unveil its platform at its conference a few weeks from now.

"We want to take our destiny in our own hands. We do not want to fall prey to the policy of the East and the West any longer. We expect neither the West nor the East to help us or liberate us. The facts in our favour and in favour of democracy and freedom should be recognized," Mr. Paraga said today.

Mr. Paraga has met with a president's adviser, with Mr. Filip Dimitrov, leader of the Union of Democratic Forces, and representatives of the Socialist and the Social Democratic Party.

He has also discussed with the leaders of the Internal Macedonian Revolutionary Organization-Union of Macedonian Societies and the Bulgarian National Radical Party the possibility of their joining the coalition.

Ecoglasnost News Conference on Kozloduy Reported

AU1107195391 Sofia BTA in English 1725 GMT 11 Jul 91

[Text] Sofia, July 11 (BTA)—At today's press conference of the Ecoglasnost Movement a number of prominent Bulgarian scientists proposed the establishment of an international consortium to control and operate the nuclear power plant at the town of Kozloduy which had been criticized by the IAEA for inadequate safety of operation.

Four of the WWER-400 reactors are of the type 230, which was developed in the Soviet Union in the 50s and the 60s. They did not meet even the safety requirements of that time, says a memorandum signed by 34 eminent Bulgarian nuclear, energy and medical experts. The memorandum was sent to the President of the European Commission Mr. Jacques Delors and to the Bulgarian Government.

The lack of technological discipline, operation skills and production organization create additional safety problems. The analysis of the accidents at the units conducted by the OSART [expansion unknown] mission of the IAEA show the decisive role of the human factor, the memorandum says.

The scientists stress that over the past years competent Bulgarian authorities have drafted numerous recommendations and reports on breaches of nuclear- and radiation-safety but the situation has not improved so far.

As regards Unit 6, which has been supplied with the new WWER-1000 reactor, experts say that the recommendations of the national governing body, the Committee on the Peaceful Uses of Atomic Energy, have again been ignored although they were issued as early as the start-up of the similar Unit 5.

Scientists point out that the Kozloduy Nuclear Power Plant permanently violates the peaceful uses of Atomic Energy Act which prioritizes the preservation of life, health, and the environment over economic and other interests.

Judging by experience, experts conclude that foreign technological, expert and financial aid cannot be used effectively in Bulgaria.

Experts insist that an international consortium be set up to take over the management, operation and reconstruction of the power plant and to enhance its safety. "The Chernobyl accident became a European tragedy. We do not want the Bulgarian nuclear power plant to repeat it," the memorandum reads in conclusion.

At the news conference Ecoglasnost called for a national protest action at the Kozloduy Power Plant on July 13. This will be the first in a series of protests launched by environmentalists to press demands for the shutdown of the first four reactors and for all culprits for the condition of the power plant to be called to account.

National Land Council Holds First Meeting

AU1107160891 Sofia DEMOKRATSIYA in Bulgarian 8 Jul 91 p 2

[Andon Cheshmedzhiev report: "National Land Council Begins Work At Last"]

[Text] On 5 July, the National Land Council held its first meeting. In plenary session, the council for the first time discussed the draft regulations prepared some time ago for the organization and activities of the municipal land commissions. It is envisaged that the commissions will be formed by the municipal peoples' councils and will be appointed by the latter after approval by the National Land Council. The president and members of the commissions must hold certain educational qualifications; however, exceptions will be made in areas where this requirement cannot be applied.

The National Land Council bound itself to adopt the final wording of the regulations by the end of next week. It was not clear whether it would continue to work in parallel with the new organ and with the Land Commission, which has been well-known for many years and whose activities the government has not in fact suspended....

In addition, the National Land Council discussed the state of land surveying and cartographic information, and agreed that much time and money will be needed to supplement this information. The statement that struck a note of alarm (for the few journalists in attendance) was that the returning of land to its owners will be a long and difficult process, and that nobody can say whether it will take five years or longer, notwithstanding the assurance that one of the main ambitions of the council's leadership is to hasten the process.

Government Issues Decree on State Firms' Debts

AU1107070891 Sofia BTA in English 1947 GMT 10 Jul 91

[Text] Sofia, July 10 (BTA)—At an extraordinary session today, the government issued a decree on the settlement of state companies' liabilities to banks accrued by July 1, 1991. For this purpose a special commission is to be set up with the Council of Ministers comprising representatives of branch ministries, the Ministry of Finance and the National Bank of Bulgaria. It will be chaired by Deputy Prime Minister Dimitur Ludzhev.

Within a week the commission will consider all concrete proposals, will estimate the amount of debts and the interest rate accrued by the state companies which cannot and should not go bankrupt, it will come out with a proposal for each specific case. The government undertakes to make its decision on the companies' debt within a week from receiving the commission's final conclusion.

In most probability part of the debts of big state companies, such as Bulgarian Railways and the Power Generation Association, will be included in the country's national debt, the debt payments of others will be perhaps rescheduled.

Japanese Bank Grants $100 Million Credit

AU1007180891 Sofia DUMA in Bulgarian 8 Jul 91 p 1

[Veselka Marinova report: "Japan's 'Export-Import' Bank Gives Bulgaria $100 Million"]

[Text] Tokyo, 7 July—The president of the Japanese "Export-Import" Bank confirmed that Bulgaria will receive a loan of $100 million from Japan. He announced the decision to give three East European countries a loan of $450 million, which is to be used for supporting the economic reforms and advancing toward a free market. Czechoslovakia receives the greatest share—$200 million. Hungary will receive $150 million. The loans will be granted in cooperation with the World Bank.

As far as the aid of $500 million, which the Japanese Prime Minister Toshiko Kaifu promised the Polish

leaders during his visit to Warsaw in January 1990. Yamaguchi, president of the "Export-Import" Bank, said that his bank will provide this aid in the form of investment funds for Japanese companies that intend to appear in the Polish market.

The final phase of the talks with the Soviet representatives has begun on allocating aid to the tune of $100 million, in the form of food and medicine for the USSR.

Foreign Minister Vulkov Interviewed on Rome Visit

AU1107160691 Sofia OTECHESTVEN VESTNIK in Bulgarian 8 Jul 91 pp 1, 4

[Report on interview with Foreign Minister Viktor Vulkov by Maya Lyubomirska; place and date not given: "The question of the 'Bulgarian Connection' Never Came Up"—first five paragraphs are OTECHESTVEN VESTNIK introduction]

[Text] The Bulgarian foreign minister's private audience with the head of the Roman Catholic Church in the latter's personal library cannot but raise the question of whether they discussed the so-called Bulgarian connection.

"I did not discuss this matter with His Holiness. I was only asked about this by representatives of the mass media," Viktor Vulkov said at the airport, following his return from a four-day visit to Italy.

What did he discuss with John Paul II? First, Bulgaria's foreign minister thanked the pope for sending humanitarian aid via the papal nuncio and renewed President Zhelyu Zhelev's invitation to the pope to visit Bulgaria. Viktor Vulkov is certain that the holy father will probably come to Bulgaria after his visit to Hungary.

The pope expressed his satisfaction with the establishment of diplomatic relations between the Vatican state and the Republic of Bulgaria. John Paul II said, "In my prayers I always find a place for the success and well-being of the Bulgarian people."

Apart from a blessing, what else did our foreign minister bring back from Italy?

[Vulkov] My stay was successful, and I am happy with the results. The visit was a good way to round off an extensive series of negotiations we have been holding over recent months with foreign ministers of countries important to Bulgaria. Most important was that we reached an agreement to start drafting and later, of course, to sign a bilateral agreement between Bulgaria and Italy.

In addition, during my talks at the Chigi Palace with Italian Prime Minister Giulio Andreotti, mutual understanding was established on the need to widen all-European cooperation. Viktor Vulkov received assurances that Italy supports Bulgaria's entry into the European Community as soon as possible.

The Bulgarian foreign minister and his Italian colleague Gianni de Michelis signed a treaty on legal assistance in criminal cases and also decided to continue the political dialogue through regular contacts with one another.

[Lyubomirska] What can we expect after your talks with FAO [UN Food and Agriculture Organization] Director General Edouard Saouma?

[Vulkov] These were normal contacts, during which we clarified positions, opinions, and intentions. We did not ask for anything specific from the FAO.

Minister Vulkov's meeting with Foreign Trade Minister Vito Lattanzio was devoted to the state of bilateral trade and economic relations and problems in this connection.

In the autumn, Italian experts will visit Bulgaria to investigate possibilities for cooperation in agriculture and the food and tobacco industry. This was agreed during talks with Antonio Soraci, national secretary of the Italian Republican Party, and Archangelo Lobianco, president of the National Confederation of Agricultural Owners.

[Lyubomirska] My final question is: What is the position of the Italians on the conflict in Yugoslavia?

[Vulkov] The situation in Yugoslavia was the predominant topic in all of my talks. This is normal, since both countries share borders with the SFRY. There are no differences; their viewpoints and stances are close to our own.

Cabinet Joins Arms Embargo, Addresses Reforms

LD1107230591 Prague CTK in English 2128 GMT 11 Jul 91

[Text] Prague July 11 (CTK)—The Czechoslovak cabinet today joined the embargo by the European Community (EC), the United States and other countries on arms supplies to Yugoslavia.

Czechoslovakia is not delivering and until the resolution of the crisis will not deliver military equipment to Yugoslavia, the cabinet said in a communique after its session.

The cabinet also dealt with a study of economic development in the first quarter of 1991 which predicts that the Czechoslovak economy will go through its worst period in 1992 before it begins to pick up.

The cabinet's next steps will include support for exports and continued restrictive budgetary, monetary and income policies, the introduction of a functioning system of social welfare measures, finalisation of an infrastructure investment programme and the creation of a system of corrective and protective instruments conforming to GATT (General Agreement on Tariffs and Trade) and EC practices. The government will submit the analysis and the economic forecast to the federal assembly.

The cabinet approved a timetable for measures to be taken in line with a development policy memorandum, which is part of Czechoslovakia's official request for a $450 million structural adjustment loan (SAL) from the World Bank. The loan had earlier been endorsed by the federal government.

The memorandum specifies the reforms to be carried out by the federal and the Czech and Slovak governments and their implementation will be crucial for the release of portions of the loan.

Finance Minister Vaclav Klaus told a press conference that next week Czechoslovakia will sign in Prague an agreement with the European Investment Bank which is providing a loan of 700 million European currency units [ECUs] to Czechoslovakia, Bulgaria and Romania. The loan is designed to aid infrastructure renewal and to support the private sector.

According to the communique, the cabinet rejected a 10 per cent increase in the minimum wage, from 2,000 to 2,200 crowns [currency as received] a month, although the rise has already been approved by the two republic governments. The cabinet has authorised its ministers participating in tripartite negotiations to call for the preservation of the 2,000-crown minimum wage.

The cabinet discussed the issue of 118 Namibian children who have been in Czechoslovakia since 1985 and 1989 as part of a humanitarian aid programme. Since Namibia gained independence in 1990, its government has been requesting their return. The Czechoslovak cabinet instructed the Foreign Ministry to advise the UN high commissioner for refugees on the problem and explain Czechoslovakia's humanitarian interest in the fate of these children. The cabinet will make a decision on the children after it has received an answer from the UN high commissioner.

The cabinet was presented a report on the resettlement in Czechoslovakia of Soviet citizens of Czech and Slovak origin from Soviet regions affected by the Chernobyl nuclear accident. The cabinet noted that the Czechoslovak and Soviet finance ministries have yet to settle the problem of financial transfers related to the resettlement.

The cabinet endorsed a Czechoslovak-British agreement on mutual support and protection of investments. It agreed to terminate 1978 and 1983 agreements on cooperation between the Warsaw Pact member states on the creation, production and deliveries of automated field command systems because it finds the system uneconomical.

The cabinet endorsed a report on the results of Federal Premier Marian Calfa's trip to Thailand, Indonesia, Brunei and Malaysia from May 11-20.

Klaus Warns Against Assembly's Legislative Delays

LD1007181291 Prague CTK in English 1624 GMT 10 Jul 91

[Text] Prague July 10 (CTK)—Czechoslovak Finance Minister Vaclav Klaus, leader of the Civic Democratic Party (ODS), today warned that Tuesday's failure by the federal assembly (parliament) to approve a crucial bankruptcy bill could lead to a serious bottleneck in parliamentary proceedings later this year.

Speaking at a regular ODS briefing, he urged adoption of the proposed legislation at the current session because important tax laws will be on the agenda in the autumn.

He said lack of cooperation from some Slovak deputies as well as some Czech political groupings could block parliamentary work.

Klaus said because of high absenteeism during this session, the current system in which neither the Czech nor the Slovak half of the House of Nations can be outvoted by the other should be changed and the required majority should be counted from the deputies present and not from the full number of members.

Presenting the ODS view on a referendum bill to be debated next Tuesday, deputy Jiri Kovar said any referendum should address only the basic questions of the state setup.

The ODS does not support the proposal of the Civic Democratic Alliance (ODA) that a republic which decided in favour of the maintenance of the federation should preserve its recognition under international law while a republic withdrawing from the union would have to seek it, Kovar said.

ODS executive council member Andrej Gjuric said 77 out of a total of 200 deputies in the Czech National Council (Czech parliament) have joined a newly formed conservative bloc.

Weiss Comments on Government, Opposition Tension

LD1007113191 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 1630 GMT 9 Jul 91

[Text] The increasing number of statements, especially by the governing political forces, indicate that we cannot rely on the silly season and that the political summer will be hot. It is a pity that, instead of a healthy exchange of views, a well-known type of demagogy is coming back to life. This was said by Peter Weiss, chairman of the Central Executive Committee of the Party of Democratic Left, in his preamble to the regular press briefing. Alena Michalicova asked him for an interview:

[Begin recording] [Michalicova] What do you think about the current state of relations between the opposition and the government coalition?

[Weiss] There is nothing to hide. Relations between the governing coalition and the opposition are tense. We are justified in speaking about a certain polarization of the Slovak political stage. With regard to the very complicated process of setting up a new political system, we have been promoting the principle of proportional representation for the Presidium of the Slovak National Council since the beginning of this election period. In the political situation immediately after the elections, the governing coalition parties and movements decided to promote the majority principle—obviously hoping that they will have at their disposal a comfortable mechanism to push through certain political measures.

[Michalicova] About a week ago, the Public Against Violence [VPN] movement put forward a proposed draft state treaty between the Czech and the Slovak National Councils. What is your view of this draft?

[Weiss] We have said on a number of occasions that the issue of the state legislative structure of the constitution and the current agreement between the republics should not be a matter of prestigious political fighting between the individual parties and movements to gain propaganda points with the electorate. I do not want to reject any initiative a priori, but analysis of the VPN proposal shows that in many areas this agreement is not even on the level of the basic principles of the constitutional law on the Czechoslovak Federation. Therefore, we will have serious critical comments on it. [end recording]

National Councils Approve 1990 Closing Accounts

AU1107132091 Prague CTK in English 1847 GMT 9 Jul 91

[Text] Prague/Bratislava July 9 (CTK)— The Czech and Slovak National Councils (parliaments) approved today their closing accounts for the year 1990—a 232 million crown [currency as received] (7.73 million USD) surplus for the Czech Republic and a 468 million crown (15.6 million USD) deficit for Slovakia.

Czech Finance Minister Karel Spacek told deputies the Czech Republic (the larger of the two with a population of 10.3 million) in 1990 adhered to restrictive, anti-inflationary monetary and financial policies intended to support market reforms and pave the way for next year's budget.

Slovak Finance Minister Jozef Danco said the Slovak Republic (population 5.3 million) pursued policies similar to those of the Czech Republic, but the 1990 budget overestimated revenues. Two examples cited by Danco were federally administered companies, which brought in 1,000 million crowns less than budgeted for, and turnover tax revenues, which fell 381 million crowns short of the targeted figure.

First Day of Slovak Council Meeting Reported

AU1107132191 Bratislava PRAVDA in Slovak 10 Jul 91 pp 1, 2

[Antonia Vymazalova and Stefan Hrcko report: "Deficit of 468 Million Korunas; 16th Slovak National Council Meeting—16 Items on the Agenda"]

[Excerpts] Bratislava— In defiance of the current heat wave and vacation season, a formidable number of journalists showed interest in the 16th Slovak National Council [SNR] meeting that opened yesterday. It is no wonder, given the fact that the meeting's packed agenda includes, for example: the government-sponsored draft of a special SNR law on extraordinary out-of-court rehabilitation; the government-sponsored draft of an SNR law on adjustments to the land register, which is indispensable for the implementation of the law on land; and [a report on] the implementation of, and amendments to, the Slovak Republic Government policy statement.

The SNR Presidium extended the proposed 15-item agenda with only the proposal of Juraj Plesnik (Party of the Democratic Left) that the Slovak minister of agriculture and food provide information on the present situation and development trends in agriculture. Neither the proposal of Jozef Prokes (Slovak National Party) that the SNR issue a special statement on Slovenia's and Croatia's declarations of sovereignty nor the proposal of Ivan Brndiar (Democratic Party) that the SNR hold a debate on the three submitted proposals for a Slovak National Day were accepted. At the recommendation of Rastislav Diovcos (Public Against Violence movement), the deputies decided that the SNR meeting will continue throughout the weekend, if the debate on the 16-item agenda is not wound up by 12 July.

The draft of the Slovak Republic's state closing account for 1990 was submitted, on behalf of the Slovak Republic Government, by Slovak Minister of Finance

Jozef Danco. The economic results of the Slovak Republic's budget last year is a deficit of 468 million korunas, an amount that will be covered from the financial assets of the federation. [passage omitted]

After the approval of the state closing account, Slovak Minister of Agriculture and Food Jozef Krsek provided information on the situation in agriculture. He stressed that the surplus of beef and the insolvency of cooperatives and state farms represent real problems for the ministry. He drew attention to the fact that eliminating the beef surplus is a bigger problem than the conversion of the arms industry. [passage omitted]

The deputies then approved, after a brief debate, the government-sponsored draft of the SNR Law on the State Water Management Fund of the Slovak Republic. The next government-sponsored draft of an SNR law—on the Slovak Chamber of Agriculture and the Food Industry—was turned down and returned to the government for revision. At a previous SNR meeting, the drafts of SNR laws on the chambers of medicine, commerce, and industry suffered exactly the same fate.

The Council then began debate on the government-sponsored draft of the SNR law on alleviating some additional property and other wrongs and on the jurisdiction of Slovak Republic bodies of state administration in the area of out-of-court rehabilitation. As Slovak Minister of Finance J. Danco and joint rapporteur for SNR committees Jan Chmelo (Public Against Violence movement) explained, the law concerns, among other things, the rehabilitation of Czechoslovak citizens who were forcibly deported by NKVD [Soviet secret service under Stalin] organs to the USSR in the years 1944 to 1946 and the rehabilitation of Czechoslovak citizens who were forcibly resettled within the framework of the "B" project in the years 1952 to 1953. Following speeches by six deputies, the plenum interrupted the debate on the draft, which will continue today.

Czech Light Industry Facing Cuts, Layoffs

AU1107154691

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 10 July on pages 1 and 2 carries an 800-word "ru"-signed report entitled "Surplus of Textiles; On the Prospects of the Light Industry in the Czech Republic." The report deals with a news conference held by Engineer Rudolf Hanus, director of the Light Industry Department at the Czech Republic Ministry of Industry, in Prague on 9 July.

According to the HOSPODARSKE NOVINY report, the output of light industry in the Czech Republic this year has been 20 percent lower than in the same period in 1990, and its sales 25 percent lower. While the situation in the glass and china industry is "very favorable," the situation in other branches, particularly in "primary textile production," is critical. In the third and fourth quarters of the year, the ministry expects a further drop in domestic demand that will force additional production cuts.

According to the report, the 201 light industry enterprises in the Czech Republic employ 300,000 people. Last year they shed 5 percent of their workforce, and "according to preliminary estimates, employment can be expected to drop by another 15 percent this year." According to the report, about 60 percent of Czech light industry enterprises will be privatized "in the first wave of privatization." The ministry will seek the "direct sale" of small plants, while bigger plants will be transformed into shareholding companies and privatized in parts.

Bank Official on Planned 'Revaluation' Measures

AU1107152391

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 10 July on page 3 carries a 1,400-word interview with J. Zahradnik, deputy chairman of the Czechoslovak State Bank, by Marcela Doleckova entitled "Devaluation Or Revaluation?" In the interview, place and date of which are not given, Zahradnik replies to questions concerning the Czechoslovak State Bank's monetary policy.

Zahradnik is first asked about the likelihood of the discount rate, and, by the same token, credit interest rates being changed. He replies that although the Czechoslovak State Bank "does not consider any movement of the discount rate (which is 10 percent at present) for the time being," it believes that the development of prices provides range for reducing the "permitted surcharge" that commercial banks may charge over and above the discount rate. This could happen "in the not too distant future, by which I mean months." Explaining why he believes that credit interest rates could be lowered even though they are lower than the current rate of price growth, Zahradnik says: "I believe that under our conditions it is incorrect to identify the movement of prices with the rate of inflation. The movement of prices thus far has reflected, to a quite substantial extent, the abolition of subsidies from the state budget. The growth of prices—which, as a matter of fact, has slowed down significantly as of late—therefore does not reflect so much a surplus of money as transfers between the state budget and households. Therefore, the rate of inflation is apparently lower than the movement of prices indicates."

In another reply, Zahradnik "rules out" any devaluation of the koruna because "there are simply no reasons for it." In particular, the current account of the balance of payments is developing "slightly more favorably" than projected.

Asked whether, given this favorable development, it may be possible to revalue the koruna, Zahradnik says: "A certain revaluation is indeed being considered, although in a somewhat different form than a direct revaluation. We have two remnants of the old administrative system

that somewhat deform value relations vis-a-vis other countries. The first of them is the so-called mandatory consultation of payment conditions with respect to imports, that is, in other words, the mandatory drawing of import credits for certain imports. Since 1 July, there has been an obligation to use three-months credits for all convertible currency imports of a non-investment nature worth more than 6 million korunas. This actually amounts to a 3-month delay of payment. Similarly, there is an obligation to use import credits when importing capital goods. Such credits are used routinely in the world; however, it is not customary to prescribe that importers must use credits from their suppliers, rather than bank credits, for example. The elimination of this administrative mechanism actually comes quite close to a revaluation measure. Moreover, the import surcharge will probably be abolished by the end of the year. Incidentally, it has already been lowered from the original 20 to 15 percent. Since the import surcharge could be understood, to a certain extent, as a specific asymmetrical devaluation measure for certain categories of imports, its abolition actually resembles, once again, a revaluation. The fact is that the surcharge has lost its raison d'etre, which was to protect the balance of payments. The situation of the balance of payments is such that this measure is no longer necessary. In my opinion, the only effect of the import surcharge at present is that it protects Czechoslovak manufacturers against [foreign] competition by increasing the price of imports."

In his subsequent reply, Zahradnik explains why Czechoslovak businesses that want to borrow money from a foreign bank require a permit from the Czechoslovak State Bank. The reason is that the Czechoslovak State Bank is responsible for the balance of payments and must know when the repayment of credits is due so that it can "ensure an even spread of debt servicing." Moreover, the bank operates as a "kind of a consultant" to prevent inexperienced Czechoslovak enterprises from taking credits "under economically undignified conditions."

In his closing reply, Zahradnik expresses his belief that a breakup of Czechoslovakia would be extremely costly and that it would run counter to the trend toward integration in Western Europe.

Meciar Comments on Future State-Legal Arrangement

AU1107174691 Bratislava NARODNA OBRODA in Slovak 10 Jul 91 p 13

[Reprint from NOVE SLOVO No. 20 of an unattributed report on former Slovak Prime Minister Meciar's statement: "Who Should Be the Bearer of Sovereignty"]

[Text] What is your opinion regarding the future state-legal arrangement of the CSFR?—NOVE SLOVO No. 20 asked V. Meciar.

[Meciar] The issue here is not just the state-legal arrangement but also a settlement of the relations among people in the country. The latter is a very controversial topic. The Movement for Democratic Slovakia is, for instance, reproached with the claim that we are breaking up our common state. We are reproached for changing our stands from one day to the next, for not being dependable. I will only add that we have sincerely tried to attain a federal arrangement based on the principle of two equals. These endeavors, however, met with misunderstanding in the Czech lands. The federation, according to their idea, means that the Czechoslovak state would exist as a single international entity. The federation means that Slovakia could share powers domestically, but that it would be just a region in foreign relations. Furthermore, it means that the federal body would be the bearer of sovereignty and not a republican body, etc.

Federation advocates say that the common state can only be a federation. We say not. They reply: Are you for a common state? To which we respond: Yes. And they say again: So you favor the federation. We argue that a confederative arrangement or a real union would also be a common state. In the documents of the United States [State] Department, today's Canada is considered a confederation and so is Switzerland. Hence, this alternative of a state arrangement is also possible. It would mean a creation of two state entities with international sovereignty. At the time when the Czech National Council discussed the breakup of the common state, we spoke for the principle of a confederation. This means that the common market would be maintained, the established humane relations would be preserved and respected, and joint bodies would be formed that would share the common executive powers.

Internal Clashes in Communist Party Reported

AU1007104991 Prague RUDE PRAVO in Czech 8 July 91 p 2

["zr"-signed report: "The Chairman Lays a Charge Against the Secretary"]

[Text] "Dear Prosecutor, I must comply with the obligation to report [crimes] as required of me by the law. As the chairman of the Communist Party of Czechoslovakia Federal Council, I learned that engineer Ladislav Zak, secretary of the Communist Party of Czechoslovakia Federal Council, most probably abused his position...." is the beginning of the charge that Jiri Svoboda, chairman of the Communist Party of Bohemia and Moravia, signed on 28 June 1991 and which he delivered to the prosecutor's office.

According to our investigations, the reason for the charge was a letter by L. Zak, secretary and statutory representative of the Communist Party of Czechoslovakia Federal Council, that canceled a previous act by some employees of the Communist Party of Czechoslovakia apparatus, who illegally misused the party stamp. In this way, L. Zak tried to prevent the state's taking over RUDE PRAVO—as was attempted by Igor Nemec, Czech Republic minister of control.

J. Svoboda sent off his report even before the Federal Council Presidium or the Council itself had a chance to deal with the issue. The presidium, composed of P. Kanis, P. Weiss, J. Svoboda, M. Grebenicek, and L. Zak, met on 1 July but did not make any decision. L. Zak not only remained in his post of secretary but also as statutory representative of the Federal Council with the right to sign for the organization. So, did he commit the crime of which he is accused by J. Svoboda? The prosecutor will have to answer this.

The Executive Committee of the Communist Party of Bohemia and Moravia Central Committee met on 28 June and approved J. Svoboda's conduct. Was it caused by the members' scant information and the blind trust in assertion of the chairman of the Communist Party of Bohemia and Moravia? In any event, the federal leadership took a stand diametrically opposite of that of the national leadership. Is it again, after many years, a case of certain forces in the Communist Party of Czechoslovakia trying to use justice to settle internal disputes?

It seems that the utilization of unusual methods of political struggle would spread in the Communist Party of Bohemia and Moravia. As a former assistant to J. Fojtik carelessly let slip to our collaborator, "we already have something to get the guys from RUDE PRAVO. We found out how much they pay themselves and how much the editor-in-chief gets. It will be published in SPIGL." Let us wait for the surprise.

Pithart on Canada Visit, Administrative Reforms

LD1007110291 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1700 GMT 9 Jul 91

[Interview with Czech Prime Minister Petr Pithart by unidentified reporter; place and date not given: "A Meeting With the Prime Minister of the Czech Government" - recorded]

[Text] [Correspondent] We have now met twice, and many things have happened in between meetings. Naturally, the most important thing is your visit to Canada. What have you brought back, how much and in what way was your trip useful?

[Pithart] I have returned with something that is more than a hope that Canada, and Quebec specifically, will belong among our partners—I have in mind not only trade, but also participation of the Canadian capital in the economic transformation. We left for Canada, that is for Quebec, at the invitation of the government of this province—the minister of foreign affairs has even been there twice—he is exerting great efforts to open here as soon as possible a Quebec house as a commercial and cultural center. We are very interested in Canada, and I will explain why:

First, we would be glad if in the foreseeable future we might manage to diversify somewhat, so to speak, the various sources of foreign capital coming to us because, for the time being, according to the data that I have here, 86 percent of this capital comes from Germany. It is not because we have been paving the way for German capital in particular; it is simply because it is coming from a country that is rich in capital and, above all, that knows us well, a statement that we cannot make about the Canadians. We went there so that, at the highest governmental, commercial and entrepreneurial levels, we could explain and prove that now, indeed, Czechoslovakia is comparable with the countries of Western Europe for investment possibilities, and, for example, for protection of investments and so on. I think we have succeeded to a certain extent and, in fact, we returned with a slogan that Quebec for us is a gateway to Canada, and Canada is a gateway to the North American continent. I hope that it will indeed work this way.

[Correspondent] You have now preempted my further question: Let us stay on Canada for awhile then. Canada is a federation, and you visited the French speaking province of Quebec also, as we have said. Between the province of Quebec and the Canadian federation, however, there is a certain tension; there are even doubts whether or not this province will remain in the union. Is there a similarity, let us say, between Slovakia and its relation to the Czech lands and to the joint Federation?

[Pithart] As is usually the case, there are certain similarities, but others, on the contrary, are completely absent. We have never been at war with Slovakia or vice versa. No blood has been shed, which cannot be said about relations between Quebec and the anglophile Canada. It is also not the case for Slovakia to be the richer, more prosperous part of our federation. Quebec is, thanks to its riches, particularly as to natural resources, the richest part of Canada. Therefore, many things are different, but if you read the Canadian papers you may be surprised by scores of similar sensations, communicated and expressed there, scores of similar slogans. Negotiations are also being carried out there similar to those that we conducted in Kromeriz just when we were visiting the capital of Canada, Ottawa. The entire government was away, and they were explaining to us: you know we have today [words indistinct]. So you can hear arguments—abandon the power-sharing arguments and solve economic problems—Canada is going through a certain recession, a drop in economic activity. All this is similar. The experience and political culture of Canada is greater in that they simply do not succumb to panic. Imagine that Quebec formally is not, as of 1980, a member of the Canadian federation. Simply, they somehow have not agreed to the Canadian Constitution. Nothing much is happening. You are still in one country, there are no frontiers, there is busy trade there, and the Canadians are not as foolish to set deadlines as to when they must solve a certain problem. They simply give themselves time. They know that in politics, too, time is a healing factor. Most likely, they will be holding a referendum in Quebec, but they allowed a year and a half for it, and if the referendum should result in Quebec's wanting to separate, it will again take two years before this division will take place. In between a number of things can

happen, and a number of issues can be resolved. So [there is] much greater patience, calm, although there are certain sparks in the air. Well, they simply know that the problem will not be solved in a year or two. We have the feeling that if we do not manage it in half a year's time, everything is lost. This is the basic difference.

[Correspondent] You certainly know that while you were away, the Civic Democratic Party came up with an initiative to reduce the administrative apparatus of the Czech Government, particularly the Governmental Office. The journalists call it slimming down...

[Pithart] Well, naturally, I know about it, but I would say that it is rather some kind of an agitation maneuver, coming too late. We have been discussing this problem for a while, and, naturally, the members of the government who are at the same time members of the Civic Democratic Party know about it very well. They were acquainted with the problem much earlier than when the initiative of their party ranks appeared. Also, the evidence that something has been done is the change of the person heading the office of the Czech Government. However, reduction of the administrative apparatus cannot be carried out overnight. It envisages a new conception, a new function of the apparatus, and that has to be thought out well. If we do not take it into consideration, we could be talking, I would say, about a purely populist requirement. It is certainly necessary to reduce excessive administrative apparatuses. However, it is precisely on this occasion that I would like to say that, in certain cases, it is necessary to expand them, because there may be reasons for that also. Such a case may be represented, for example, by the Ministry for Privatization, the ministry of Mr. Jezek, that simply cannot cope with the extensive privatization agenda with the people at his disposal at the moment. I assume that the Civic Democratic Party will not suspect Minister Jezek of fondness for excessive administration. So one must view each such example separately and not jeopardize, by some kind of generalization, the fulfilment of the tasks that are ahead of us.

[Correspondent] Mr. Prime Minister - the last question concerns the car accident of a minister. Will you ban your ministers from driving government cars?

[Pithart] Naturally, I will not. My ministers are grown up and responsible people. I could perhaps recommend to them to remember the traffic rules, but I do not think I will do that either. They know very well that they must adhere to them.

Possible Repercussions of SFRY Crisis Assessed

AU1107132291 Prague LIDOVE NOVINY in Czech 9 Jul 91 p 3

[Article by Petr Holub, Vaclav Kural, and Jiri Valenta, staffers of the International Relations Institute in Prague: "Yugoslav Crisis and the CSFR"]

[Text] The Yugoslav crisis developed from purely internal causes. At the same time, however, it has a significant international impact. From the CSFR perspective with respect to the obvious parallel with the Slovak issue, the crisis might have a spill-over effect on the stability of the Republic. Hence, the problem arises for Czechoslovak foreign policy to find the most appropriate response to the fact that the federal concept of a solution to the crisis is represented by the nondemocratic regime of President Milosevic, and by the Serbian nationalists in general.

The CSFR certainly should not just copy the positions adopted by the European "Twelve." One cannot ignore the historical experience that a focal point of tension in one part of the world can be used to achieve major changes elsewhere—the Hungarian events of 1956 linked in time with the Suez crisis are a case in point.

The least consequential aspect of the break-up of the Yugoslav federation would be the real danger of economic collapse. Although the economic background of the problem might help to maintain mutual communication between the republics, at least on economic issues, it will be very difficult to find a peaceful solution to the crisis. The Yugoslav Army can only play a positive role if it confines itself to separating the hostile parties and thus preventing ethnic clashes. If the Yugoslav Army does openly intervene, Serbia apparently would seek an ally in Montenegro. If the clash between Croatia and Serbia spreads to Bosnia, the situation might be complicated by the Muslim factor. In connection with Macedonia, the influence in that region of the not completely clarified relations with Bulgaria could gain prominence. Significant involvement by Hungary in Vojvodina is less likely. If the secession of some republics does not in fact lead to a mass armed conflict and is not recognized internationally, the mounting economic problems would necessitate a search for a political or interventionist solution. It is very likely that Serbia will, above all, incite ethnic clashes in the territory of Croatia. The populist Serbian regime can be drawn into processes of the Romanian type, while Slovenia and Croatia are likely to be drawn into the German sphere of influence.

The positions adopted by individual countries on the Yugoslav crisis are being closely watched, particularly with respect to the fact that similar positions would be expected in the event of the breakup of the Soviet Union. Recognition of the sovereignty of Slovenia and Croatia by Czechoslovakia would be debatable, despite the fact that the declaration of independence of both republics is in fact a result of the democratization process in the country. However, it would be appropriate to consider the clear nuances differentiating the regime in Slovenia from the nationalist policy of Croatia, which is far removed from democratic principles. At the same time, it is necessary to distinguish the issue of the two republics seceding from the policies of President Milosevic and Serbian nationalism in general.

The Yugoslav crisis confronts Czechoslovak foreign policy with the dilemma of steering between the general democratic principles of the post-November policy and the sensitive issue of the integrity of existing state forms. This dilemma is concentrated, above all, on the problem of whether to recognize the independence of Slovenia, or whether to support the integrity of Yugoslavia—even if in some looser, for instance confederative, form. It is obvious that recognition of Slovenia or Croatia would bring the CSFR into conflict not only with the Belgrade government, but such an act would not be consistent with EC policy either. Moreover, in the case of Croatia, Czechoslovak foreign policy would expose itself to risks resulting from the not completely clear-cut character of democratization in this republic and the historical parallel of Ustasha Croatia and the [World War I] Slovak State. At the same time, there is no doubt, in principle, that the process of becoming independent is irrevocable in the two republics, and international recognition is only a question of time. The position adopted by Austria can be described as inspirational. It has not rushed in with a blanket rejection of the acceptance of the Slovene and Croatian road to sovereignty and, through its foreign minister, it emphasizes its empathy with Yugoslavia and its republics with regard to the democratization process. In the event of a new armed conflict, it would be necessary to reject any attempts at a violent solution to the problem and to appeal for the problem to be settled by way of discussions.

It would be an error not to see the possible consequences of the Yugoslav crisis for Central and Eastern Europe—including Czechoslovakia—where the issue of nationalism is literally the proverbial "powder keg."

The potential impact on the USSR must be considered particularly consequential, for Yugoslavia might induce an escalation in the divergent tendencies there, as well as in the endeavors for pacification by force. Precisely, the Yugoslav crisis could foster conditions suitable for organizing actions that would discredit the Soviet president in connection with his attendance at the London summit and prevent the reinforcement of his position. The intervention of the USSR Armed Forces in the Baltic region under the cover of a "request" by the local population's Russian factions can be considered the most likely form such an action would take. In a situation in which the attention of the West is focused on the Yugoslav crisis, it is possible to establish a point of departure for an attempt at a coup in the USSR, with a chain consequences for the whole world that would immediately involve Czechoslovak interests.

The Czechoslovak side must be prepared to react flexibly to any escalation in the crises in Yugoslavia and Baltic region, should the totalitarian side gain the upper hand. In such an event, our foreign policy should find an appropriate but firm way to express its support for the democratic forces in these regions of the European continent.

Antall Briefs Press Upon Return From FRG

LD1107233191 Budapest MTI in English 1934 GMT 11 Jul 91

[Text] Budapest, July 11 (MTI)—Chancellor Helmut Kohl is ready to represent Hungary's interests at the London summit of the top seven industrialized countries, Prime Minister Jozsef Antall revealed to journalists on his arrival at Ferihegy Airport, after his flying visit to Bonn. The prime minister flew to Bonn in the morning in a German Air Force aeroplane, returning in the evening on board the same plane. He also met Vice-Chancellor Hans-Dietrich Genscher, German minister for foreign affairs.

Antall said that, of late, he has been in continuous contact with Chancellor Kohl, and now, shortly before the London summit, both thought it necessary to meet in person as well. According to the prime minister, Hungary's direct participation in the G-7 summit was out of the question. As the region's problems are set to be on the summit's agenda, the Hungarian Government has held talks with the ambassadors of the seven countries before the event.

In their two-hour private meeting in Bonn, the two heads of government agreed that the Soviet Union should not be supported to the detriment of other countries in the region. It is hoped that Moscow will use the anticipated G-7 assistance to strengthen its business links with East-Central Europe. However, it would be unwise to have too high expectations of the London summit, as the possibilities will probably be more limited than has recently been suggested, he said.

Jozsef Antall stressed that he had neither spoken for Warsaw nor for Prague in the Bonn talks. He had not requested an authorization from them, although the three countries have idential views on basic questions. He said that he had travelled to Germany to represent the interests of the Republic of Hungary.

The matter of the support to be given to Hungary beyond the short-term was also covered in the talks with the German politicians, but there can be no economic or financial agreement to affect the servicing of debts. Hungary is adamant about repaying its debts, the prime minister said. It was also mentioned in the talks that Hungary should settle the debt it owes to the former German Democratic Republic in transferable roubles. Bonn promised to provide assistance in this.

With regard to Hungary's admission to the European Communities, Bonn threw up no new dates. The association agreement can hopefully be signed this autumn, and fully-fledged status possibly be attained in the second half of the decade, depending on the direction in which the Common Market and the Hungarian economy develop, Antall said.

The prime minister said that his Bonn talks also addressed the issue of the Yugoslavia situation. On this score, he pointed out that the Hungarian Government conceives of a confederation of sovereign republics as the future of its southern neighbour, provided that the peoples of Yugoslavia agree with this. A settlement should be reached within the present-day borders, he added.

In response to an MTI query, Jozsef Antall took a stand on the Wednesday statement by Jacques Delors, president of the Commission of the European Communities. Delors asserted that Comecon had been wound up too early, in view of the severe economic difficulties it is causing onetime members. The prime minister expressed his surprise at this statement, as this, in his opinion, was not the underlying cause of the collapse in Eastern trade. The member states went bankrupt, and Comecon had long been an unviable organization, with no more to it than bilateral relations. When Mr Delors judges Comecon, he speaks with the smooth-running Common Market in mind, which admits of no comparison with Comecon, Antall said.

Comments on Support for USSR

LD1107200391 Budapest Kossuth Radio Network in Hungarian 1630 GMT 11 Jul 91

[Excerpts] The Hungarian viewpoint that Yugoslavia will be transformed into a confederation of sovereign republics is having a great impact in the Western world, said Prime Minister Jozsef Antall to our reporter after his return from his visit of a few hours to Germany. [passage omitted]

Jozsef Antall today held discussions with German Chancellor Helmut Kohl. Chancellor Kohl assured Jozsef Antall that assistance to the Eastern-Central European region will be treated as a matter of equal importance with support for the Soviet Union at the G-7 meeting in London. Arriving at Ferihegy, Jozsef Antall made a statement to our reporter, Peter Zentai.

[Begin recording] [Zentai] Germany is to act as an intermediary. The question arose as to whether Germany is sufficiently neutral about this. [passage omitted]

[Antall] Hungary appealed to all seven participants in the London summit. The three participants at Visegrad—Poland, Hungary, and Czechoslovakia—have also turned to the seven. It is not a question of the Hungarian Government asking Germany for some singular or special representation because we have all turned to all the participants. Because of Germany's special experiences and special understanding of the region, and because the German position clearly states support for the Soviet Union, it is logical that behind Germany's willingness to support is an important link between support for the region and support for Hungary.

[Zentai] [Passage omitted] Will there be jealousy if Hungary and Poland obtain large orders?

[Antall] Obviously, every region is subject to envy. The whole of Eastern-Central Europe is the subject of jealousy from the Third World and from other countries.

There are companies and banks that have interests in Latin America or Southeast Asia who do not take kindly to other regions getting into the foreground. Eastern-Central Europe must overcome individually and together those lobbies, those interest groups, those interests that promo the favoring of other regions.

[Zentai] But the United States, Japan, and Western Europe have a much greater say in this, so it is not only a question of the envy of the Third World.

[Antall] We have been saying from the beginning that we agree to the Soviet Union receiving assistance in the appropriate form and to the reform policies of Gorbachev to be supported. This reform must develop naturally toward a market economy, respect for the rights of self-determination for the peoples of the Soviet Union, and other aspects that I do not want to detail now, including the political and foreign policy aspects from the problems of the Baltics to the Caucasus.

The essence of Hungarian politics is that if the Soviet Union is going to receive support in some form, this support should not counter the foreign trade interests of the region and of Hungary. The Soviet Union already owes us $1.5 billion for export goods already delivered.

[Zentai] Is Chancellor Kohl worried that the French press and other Western European friendly countries' press criticizes Germany more and more? As the general secretary of the Christian Democratic Union said, Slovenia and Croatia should be recognized. This issue is beginning to divide Europe. What is your view on this?

[Antall] I think that our formula, which, incidentally, I can safely say has influenced the development of both American and West European stances....

[Zentai, interrupting] This confederation version—the confederation of sovereign republics....

[Antall, continuing] The fact is, we stated that the right of self-determination of nations, as in the case of Yugoslavia, cannot be handled selectively. Nations have a right to self-determination. That has to be extended. The fact is that we would consider the solution of a confederation of sovereign republics as a good solution—if this can be reached via peaceful and democratic means in Yugoslavia. Naturally, it is no secret that it would also serve the interests of the Magyar national minorities on the territory of the Yugoslav state. It is natural that the stances could change. The governments of distant regions detect fewer problems. It is obvious that the United States took some time before it formulated a policy regarding Yugoslavia. In the Western European countries, different traditions and political relations prevail. Not everybody recognizes clearly when to talk about nations, minorities, political ideologies, and then to talk about a communist political system or rationalism. There are a number of questions here that require deeper understanding. Decisions made on the basis of direct reflex are not always suitable. [end recording]

Views on G7-Summit, SFRY

LD1107201291 Budapest MTV Television Network in Hungarian 1730 GMT 11 Jul 91

[Text] At the invitation of Helmut Kohl, Prime Minister Jozsef Antall held talks in Bonn with Chancellor Kohl and Foreign Minister Hans-Dietrich Genscher. After his return, he held a news briefing on the talks at Ferihegy Airport.

[Begin recording] [Unidentified reporter] The viewers of the Newsreel program know that you travelled to Germany in order to ask the chancellor to represent us at the London summit because we were not invited to that meeting. If there was mention of it, what was the chancellor's reply?

[Antall] It did not even come up whether we might participate in it personally or directly. This was just a news issue regarding direct participation. It does not matter if we participate, but that the problems of the region are presented. The chancellor has undertaken the representation of our interests at the London meeting. I would like to add to this that the other participants also expressed unity on the main issues. They agree that support for the Soviet Union, the support for Gorbachev's program, cannot be provided at the expense of the other countries of the region. I think that we should not be overly optimistic about the London meeting. It is obvious that the possibilities will be more limited compared to what can be heard throughout the world regarding the needs of the Soviet Union.

[Reporter] Was there mention of the sum and the nature of the assistance to be provided, and to be provided for Hungary, and was there discussion of the situation in Yugoslavia?

[Antall] I would like to start by saying that any economic or financial solution regarding the management of Hungary's debt service is out of the question; that is, Hungary remains in favor of the payment of its debts, and Hungary cannot choose any solution contrary to this.

The issue of Yugoslavia formed an important part of my discussions with both the chancellor and the foreign minister. If the Yugoslav people agree, we will continue to regard a confederation of sovereign republics as the most appropriate solution. Anything we earlier referred to meant a solution within the borders of the present Yuoslavia. [end recording]

Party Leaders on Torgyan's Statement on SFRY

AU1107154891 Budapest MAGYAR HIRLAP in Hungarian 10 Jul 91 p 3

["K.M." and "U.K."-signed report: "Horn: It Would Not Be Serious Enough Even for a Pamphlet—Torgyan's Statement of Correction"]

[Text] Together with (Chairman of the Independent Smallholders' Party) Jozsef Torgyan's statement, we will

report the opinion of opposition representatives. We also asked Jozsef Torgyan whether we had heard the news correctly, that he had indeed demanded a correction of the borders.

"For some weeks now, news has been coming to us from the land of our southern neighbors, the SFRY, news that alternates between sometimes being more peaceful as a result of foreign mediation and becoming dramatic again at other times. Guns are being fired right next to our borders, innocent people's lives are being taken, and in an instant their properties are being reduced to nothing. Our public is deeply concerned about the fate of our nearly 600,000 Hungarian relatives who live in Vojvodina, Slovenia, and Croatia, and we know that our own flesh and blood who live there expect the truth and the hope of justice from us. Therefore, we cannot remain silent.

"(...) It is self-evident that it [the Independent Smallholders' Party] supports the formation of an independent Slovene and Croatian state, and that it condemns all attempts directed toward preventing this by military force. At the same time, we express our conviction that the current events in the SFRY also carry a deeper historical significance.

"The hopefully final end to foreign threats and the development of new and cooperative relations between these countries places the possibility of maintaining the so-called "peaceful order" that was imposed on these nations after World War I into question, which was made even tougher after World War II. (...) Together with this, we believe that in the event Slovenia and Croatia become independent, the situation of Vojvodina's Hungarians will also have to be dealt with by an international conference that will implement this kind of historical correction. These Hungarians have never left their native land; they were placed outside our borders by other people. Justice will also have to be done by other people.

"The Independent Smallholders' Party does not wish to interfere with the domestic affairs of any country. (...) [Signed] Dr. Jozsef Torgyan."

Jozsef Torgyan's statement on the crisis in the SFRY aroused sharp feelings of antagonism among opposition politicians.

Foreign Committee Chairman Gyula Horn, member of the Hungarian Socialist Party:

"I find this astonishing; Jozsef Torgyan's statement is not serious enough even to be a pamphlet."

Istvan Hegedus, member of the Federation of Young Democrats [FIDESZ]:

"When we first heard that Jozsef Torgyan had made a statement on correcting the borders, we thought he wanted to modify the 35-year age limit of FIDESZ [HATAR means both border and limit], an action that we naturally reject because it is interference in the internal affairs of our party.

"Unfortunately, Jozsef Torgyan's view of history was not formed by the 20th century wars and meaningless border disputes. It reflects an irrational and propagandist view, and he has made his view common knowledge. Obviously, he wanted to go one step further than the prime minister's unfortunate remark. However, the fact that is confirmed by the experience of World War II is that the Hungarians [in the SFRY] will continue to be a minority, and representatives of a Hungarian government party should only be allowed to deal with the cause and problems of the Hungarians living beyond our borders on the basis of human rights and national minorities, no matter how the SFRY's domestic situation may change and whether old or new independent countries come into existence."

Istvan Szent-Ivanyi, member of the Alliance of Free Democrats [SZDSZ]:

"We held a long discussion on the situation in the SFRY at the meeting of the national council of the SZDSZ on 6 July. Many people suggested that we call attention to the following: The Hungarian Government should make it clear that it does not intend to use the current crisis in the SFRY to acquire territorial advantages. At the time, the majority of the participants in our meeting believed that such an announcement would be premature because these kinds of aims had not been voiced by any relevant political circles. Unfortunately, the situation has fundamentally changed now, and Jozsef Antall's ambiguous statement and then Jozsef Torgyan's unambiguous statement, that went even further, make it necessary for us to declare that references to any kind of historical adjustment is very dangerous for Hungary's foreign policy. Any such reference questions the necessity [as published] of previous government statements and the government's international trustworthiness, and it puts the Vojvodina Hungarians in an especially difficult situation because they will become the target of the nationalist attacks that are strong in Serbia. The government cannot leave Jozsef Torgyan's statement unanswered. Jozsef Antall will have to make his opinion on Jozsef Torgyan's statement clear, whether he agrees with it or, as sober reasoning dictates, he rejects it and distances himself from it. We are waiting for the government's statement."

In connection with his statement on the SFRY, Jozsef Torgyan told us that he had not wished to refer to even any intentions to change the borders, and he claimed that his statement could not be misunderstood—just as Jozsef Antall's statement could not be misunderstood—it could only be intentionally misinterpreted.

He declared that, due to the severity of the situation, an international conference should be convened as soon as possible to resolve the disorder in this area. Corrections could be made in this forum, which could ensure peace for the area.

Finance Ministry Issues Statement on Budget

AU1207084791 Budapest MTI in English 1252 GMT 11 Jul 91

[Text] Budapest, 11 Jul (MTI)—At the end of June, 1991, Hungary's budget showed a 51,300-million-forint deficit, the Ministry of Finance announced here today.

In the Ministry's assessment, although the size of the deficit is slightly in excess of the forecast agreed upon earlier with the IMF, it does not in itself threaten the final, end-of-year outcome of the budget.

The main reasons for the size of the deficit are the effects of the slow-down and fall-back in certain positive processes in the economy, and the fact that lower incomes have not been offset by savings in expenditures.

In the first six months of the year, the Hungarian state budget had a total income of 349,700 million forints, 45.3 per cent of the plan for the whole year.

Total expenditures stood at 401,000 million forints, 47.1 per cent of the amount stipulated in the budget.

As a consequence of a drop in consumption, consumption-related tax incomes brought in 44.7 per cent of the 311,500 million forints projected for this year.

This could mean a loss in income of 5,000-6,000 million forints by the end of the year.

By the end of the six-month period, tax and levies from the population had brought in 45.6 per cent of the 311,500-million- forint total forecast for the whole of the year.

Budget incomes from financial institutions accounted for 28,361,000 million forints, 53.5 per cent of the amount envisaged for the entire year.

State subsidies to companies cost the budget 30,500 million forints—46.1 per cent of the plan for the twelve-month period—though the growth in certain export subsidies was compensated for by the collapse of Eastern European exports.

Consumer price support allocated in the first six months amounted to 27,148,000 million forints, 86.7 per cent of the annual target, and could mean an additional expenditure to the budget of 7,000 million forints over the 31,300 million forints planned for the whole of the year.

Of the 110,100 million forints earmarked for debt servicing and interest payments for the year, only 42.4 per cent was needed by the end of June. The budget took out less credit and at a later date from the Central Bank than originally planned.

The budget deficit was financed with a Central Bank credit of 35,000 million forints from the 60,000-million-forint credit line laid down in the budget.

The stock of treasury bills grew by 9,800 million forints. The remainder of the deficit was covered by drawing on the revolving state fund created by a 40,000-million-forint credit from the Central Bank at the beginning of the year.

Assembly Approves Law on Church Property Status

LD1007191291 Budapest MTI in English 1620 GMT 10 Jul 91

[Text] Budapest, July 10 (MTI)—After a long voting procedure, the Hungarian parliament approved a law on church estates with 194 votes for, 95 against and 23 abstentions on Wednesday [10 July]. Parliament is to resume its special session on Thursday.

The law on settling the property status of the former chuuch estates comprises all estates with buildings on them which:

—Used to belong to churches, religious denominations, religious communities and other church organizations and were nationalized by the state without any compensation after January 1, 1948,

—Served purposes of religion, education, training, health, social welfare, child and juvenile protection, and culture at the time of their nationalization or were indispensable for the operation of monastic orders and the communities of deacons and deaconesses, and,

—are now owned by the state or the local governments.

No arable land, economic units or property of a profit-making nature are to be returned to the churches.

The estates have to be claimed by the churches and returned to them in a degree and at a time justified by the actual operation of the church. The list of transferable estates will be compiled by co-ordinating committees composed of government officials and the representatives of the particular churches. The list will have to contain the estates which the churches would take over within three years. The churches will have ten years to take over their reclaimed estates.

The government is putting to parliament a proposal that the costs of the takeover be financed from the central budget. Should parliament reject the proposal, the government, after due consultation with the churches, may change the deadline for the handover.

Party Leaders on Law

LD1007193191 Budapest MTV Television Network in Hungarian 1730 GMT 10 Jul 91

[Excerpts] Deputies in the legislature expressed their views today on the scope of the law finalizing the position of ownership of church properties—and before that on one of the amendments—and they did so by roll call. As announced earlier, FIDESZ [Federation of Young Democrats] deputies abstained from the decision.

Meanwhile, the opposition deputies who voted yes were accompanied by the applause of the pro-government benches.

The law thus adopted was characterized as unconstitutional at the SZDSZ [Alliance of Free Democrats] press briefing, while the MDF [Hungarian Democratic Forum] told the press that the high-level legal regulation settling the fate of church property is a cornerstone of the transformation of the regime.

The law was adopted with 194 in support, 95 against, and 23 abstained. [passage omitted]

The SZDSZ voted no, and at the lunch break, Ivan Petoe gave the reason for this vote to journalists, on behalf of the faction.

In their view, the law does not serve the goals. It is bad from every point of view, in terms of legality too, but added that their no vote does not reflect their attitude toward the churches. In another SZDSZ view, the law recalls the gentry-type of politics and creates not order but disorder. They also have concerns that [the law is] unconstitutional.

Kiss Issues Statement on Trade Union Property

LD1007213291 Budapest MTI in English 2024 GMT 10 Jul 91

[Text] Budapest, July 10 (MTI)—On behalf of the government, Gyula Kiss, minister of labour, asked MTI to publicize the following statement:

In maintaining contacts with the legal organs of interest representation, the government regards it as an applicable method to hold negotiations based on the principle of trilateral interest coordination.

The government does not wish to qualify the parliamentary debate over the trade unions' property.

As for the division of trade union property, an issue discussed by parliament on the basis of some individual motions, the government declares:

The issue has been a matter of irresolvable conflicts between the trade unions for some months, making it impossible for the unions to cooperate and endangering the operation of the system of interest coordination.

The approach that the parliamentary debate of the issue is aimed at bringing any trade union in an impossible situation or nationalizing the unions, poperty is incorrect.

The government holds the view that parliament, stemming from its situation, has the responsibility to pass decisions on issues on which the parties concerned are unable to come to an agreement. As far as the issues of trade union property and trade union elections are concerned, the government is motivated by the goal of diffusing the untenable situation of trade union life rather than granting privileges to some unions and bringing others into an impossible situation. This danger is rather stemming from the current, unsettled situation.

Socialist Party Assails Trade Union Law

LD1107184191 Budapest MTI in English 1435 GMT 11 Jul 91

[Text] Budapest, July 11 (MTI)—"By passing the law on trade unions, the Hungarian Democratic Forum (HDF) is flagrantly flying in the face of the constitution and international law, damaging democracy. The same applies to MPs of the Alliance of Free Democrats and the Federation of Young Democrats supporting the HDF proposal," president of the Hungarian Socialist Workers' Party (HSWP) Gyula Thurmer said at a press briefing in Budapest on Thursday.

As regards the compensation law, the HSWP will appeal to the constitutional court and backs the idea of launching a referendum on the issue.

Speaking about foreign policy issues, Thurmer said that several statements made by government leaders on Yugoslavia counteract the interests of Hungarians living in the Vojvodina.

A HSWP delegation will visit the Soviet Union in the near future at the invitation of the Soviet Communist Party.

Sejm Rejects Walesa Bills, Urges Focus on Reform

LD1107220391 Warsaw PAP in English 1636 GMT 11 Jul 91

[Text] Warsaw, July 11—The Sejm, or lower house, rejected on Thursday President Lech Walesa's draft laws on an amendment to the Constitution and on an electoral ordinance.

The house rejected the constitutional amendment by 222 votes to 102, with 17 abstentions. The president's draft electoral ordinance was rejected by 258 votes to 89, with 14 abstentions.

Representatives of parliamentary floor groups who took the floor in advance of the voting stressed that under the current critical economic circumstances, the country's attention should focus on the reforms and not on substitutes such as controversy about the election law.

Only the citizens' and Pax Catholic caucuses voiced support for the president's drafts as the ones offering a chance for forming a strong and politically stabilized Sejm.

By rejecting the amendments, the Sejm maintained eligibility barriers for Poles who live outside the country more than five years. Presenting the president's stance to the Sejm, deputy head in the presidential chancellery, Slawomir Siwek, said the barriers were perceived by the circles concerned as a political decision dividing the population.

"The barriers are painful above all to those who, while struggling against the totalitarian system, could not find a place for themselves in Poland in recent years and, in most cases, left the country or stayed abroad," Siwek stressed.

In the wake of the voting, Siwek stated he was not surprised by the results and opined that the fate of "the presidential initiative helped us to expose the present parliamentary alignment in the lower house and show the nation what is going on here."

He observed that it became clear that the communists' coalition that had ruled Poland for forty years returned to life. "The nation will have to judge everything and make decisions as to the future of Poland during the electoral campaign," Siwek said and added he could not say anything about Walesa's possible new legislative initiative.

Walesa Appoints State Electoral Commission

LD0907214991 Warsaw Radio Warszawa Network in Polish 1600 GMT 8 Jul 91

[Text] Lech Walesa has appointed a state electoral commission [word indistinct] legal office of the Presidential Chancellery. The commission's composition includes: Supreme Administrative Court judges (Wieslaw Abramowicz), (Janusz Kasprzak), and Andrzej Wroblewski; Supreme Court judges (Stanislaw Kosmala), (Tadeusz Zywnowski), and Stanislaw Zablocki; and Constitutional tribunal judges Janina Zakrzewska, Wojciech Laczkowski, and (Andrzej Sol). At its forthcoming meeting, the commission will choose from among its members a chairman and two deputies.

Presidential Aide Assesses Walesa's Authority

AU1107172291 Warsaw TYGODNIK SOLIDARNOSC in Polish 5 Jul 91 p 3

[Interview with Jan Olszewski, deputy chairman of the National Citizens Committee, by Robert Terentiew; place and date not given: "Surviving Until Spring"]

[Text] [Terentiew] Some political groups say the president is good, but has bad advisers. You are one of his advisers. Have you advised him to dissolve the Sejm and introduce a dictatorship?

[Olszewski] I am not his sole adviser, so perhaps the question should be: In what way do we make the president do the things he does? A dictatorship has nothing in common with the presidential office. I would be the last person to suggest to Lech Walesa that he should introduce a dictatorship. But even if I thought it essential for Walesa to become a dictator from the point of view of national interests, I know the president would be the last person to agree.

[Terentiew] But the whole city is buzzing with rumors about the president's dictatorial ideas.

[Olszewski] The city? No, just the political community. In any case, I would not call them rumors, but a certain tactic in the political struggle, an attempt to distort public opinion and create a convenient adversary in the current debate. And this is a debate that is dividing not society, but the political elite, for most of society does not know what is happening, and the part of it that does know holds a uniform stance on the issue.

[Terentiew] And what is the stance?

[Olszewski] They support the president.

[Terentiew] And what is the dispute about? Where does the dividing line between the two sides run?

[Olszewski] It runs between those in favor of preserving the "roundtable" accords and their political consequences on the one hand, and those who are convinced that these accords are no longer valid and that preserving them is against social interests on the other. Preserving them is also a violation of the mandate that society gave a representative of the Solidarity camp who later became president.

[Terentiew] Why have the "roundtable" accords endured so long?

[Olszewski]Because we have not done enough to abolish them. The first thing we should have done is to hold a Sejm election. Everyone thought it would take place in the first half of 1990. If it had, the "roundtable" would be nothing but a memory today. But it did not happen, and today we have a dispute that will not be settled until after the autumn election.

[Terentiew] But this political contest is destructive, and autumn is still a long way away.

[Olszewski] Yes. It is economically destructive as well, and the present schizophrenic moral-political situation is harmful to society. It is not clear which traditions we are referring to when building a new Poland, what kind of structures of authority we are creating, and what the future republic is supposed to be like. Is it to be a continuation of the people's republic, possibly with modifications, or are we to reject the past 40 years completely?

[Terentiew] Do you feel that your position is only temporary?

[Olszewski] We all do. That is the result of the political compromise. A major part of society wanted to reject this compromise from the very beginning.

[Terentiew] The compromise exists, yet our republic is simply not functioning.

[Olszewski] That is because of the condition the state has been in for the past 12 months or so. It has no control over basic bodies of authority; it does not have a flexible Army, special services or police; it does not even have a sufficiently efficient administrative and fiscal apparatus. The administrative structures we have were designed to serve the old system, not the new one, and they are carrying out an involuntary but nevertheless real sabotage. That must be the explanation for the fact that there is no customs protection in Poland and that the fiscal apparatus is not functioning, and saying that Poland possesses special services is an expression of excessive optimism.

[Terentiew] What kind of situation justifies the application of so-called strong-arm tactics in government?

[Olszewski] "Strong-arm tactics" is a political slogan that can be applied to very many situations. If we assume that it is synonymous with a dictatorial government, which it need not be, then I am definitely against such a government, and I feel such a government would be a misfortune for Poland. However, if we talk about a strong executive authority headed by a single structure whose legitimacy is provided by the elections, then the country needs such tactics during the construction of a new statehood and system. However, in no way can such an authority, and I mean the president, abolish or restrict the normal functions of Parliament. Of course that applies to an elected Parliament that possesses a genuine democratic mandate. We do not have such a Parliament right now.

[Terentiew] But might not the situation get out of control before the autumn?

[Olszewski] For two years, the Polish authorities have existed solely on the basis of society's acceptance. They have no strength at their disposal to make society obey and accept them. We have reached the stage where society has noticed an absence of major changes and is becoming impatient. Therefore it is essential to convince society that it is worth being patient with the present authorities a little longer, at least until the autumn elections. Nevertheless, I feel the elections should be held as soon as possible. The October deadline fixed by the Sejm is disastrous. The new Sejm will not begin to function until the end of the year, which means it will have to adopt a budget for 1992, a vital document that determines the functioning of the entire state apparatus. That is a very difficult task for a new and inexperienced parliament only just beginning its work. I consider the present Sejm's choice of October as an election date either as a sign of irresponsibility, or as evidence that it is playing some kind of political game, a very perfidious game if I may say so.

Spokesman: Michnik Trying To Undermine Walesa

LD1107085291 Warsaw PAP in English 2210 GMT 10 Jul 91

[Text] Warsaw, July 10—Presidential spokesman Andrzej Drzycimski stated on Wednesday that Deputy Adam Michnik had begun an election campaign with an attack on President Lech Walesa with a view to undermining his authority.

Michnik, editor-in-chief of the GAZETA WYBORCZA daily, told TV prime time news bulletin on Tuesday that he was worried to have learned from President Walesa's address to Gdansk residents after a mass on June 23, that he himself stands aside a sound patriotic current, is an enemy of democracy, and is guided only by mean motives. He also warned against searching for scapegoats, this being a dangerous procedure in his opinion.

To illustrate his view, Michnik cited the Bible: "When he said this, one of the police who was standing next to him struck him on the face, exclaiming, 'Is that the way to answer the high priest?' Jesus replied, 'If I spoke amiss, state it in evidence, if I spoke well, why strike me?'"

"For the good of Poland let us not slap each other in the face, Mr. President. The road to agreement is open," Michnik appealed.

The spokesman for the president said that this was not an honest and cultural argumentative dispute for which the editor of "GAZETA WYBORCZA" appealed but an attack full of demagogical phrases.

"Mr. President understands democracy differently than those who think that they are always right. Democracy means acknowledging the opinion of majority and accepting pluralism and not being guided by the interest of one party or political group. In the present situation entering into alliances even with communists testifies to the will to gain one's objectives by hook or by crook," Drzycimski stated.

Daily on Legislative Powers For Government

AU1107115191 Warsaw GAZETA WYBORCZA in Polish 9 Jul 91 p 2

[Wanda Falkowska commentary: "A Powerless Sejm?"]

[Text] The bill to give the Council of Ministers the power to issue decrees that possess the same status as acts of parliament has one undoubted advantage—it has to be approved by at least two-thirds of the Sejm, with at least 50 percent of the deputies present. But this is rather unlikely, it is difficult to imagine the Sejm volunteering to part with its powers and hand over to the government a major part of its legislative authority.

If the bill is passed, the Sejm's legislative powers will be severely curtailed. All that would be left for the Sejm would be the passing of constitutional amendments, election codes, taxation rules, and the 1992 budget. The government would take over the other extensive spheres of Sejm responsibility, so that the balance between the legislature and executive would tip in favor of the executive, which is against the Constitution.

In practical terms, the government would be free to issue decrees as it pleases, and then implement them. The bill gives government decrees the same status as acts of parliament. It does more than that, for an act of parliament may be amended or repealed by means of a decree, but a decree might only be repealed by an act of parliament, not amended. I say "might" because the bill includes a possible provision whereby a decree cannot be repealed by means of an act of parliament.

In this situation, parliament would sit and watch the government engaging in legislative activity, for the bill does not say that the Sejm must approve the government's decrees, unlike before the war, when the Sejm did approve presidential decrees. The Constitutional Tribunal would check whether the government's decrees conform to the Constitution; the Tribunal's rulings would be binding on the government.

But even here a certain departure has been made from the provisions of the Constitution. The Constitution states that the Constitutional Tribunal's rulings have to be approved by the Sejm. Yet according to the bill in question, the government's decrees do not have to be approved by the Sejm. Perhaps the reason for this is to shorten the legislative process, or perhaps to omit the Sejm from this process altogether.

The bill that deprives the Sejm of legislative authority in spheres exceeding far beyond the economy also deprives it of legislative initiative, conveying this initiative to the government, or even, according to one possible provision, to the president himself. The very authors of this bill consider this latter provision unnecessary. An explanatory note by the government says the following: "It seems that even without this provision, the Constitution gives the president the political resources to influence the government." There is no doubt about that. The best proof of this is the very bill itself, which is the president's idea. The government has never insisted on special powers. One can assume that if the government receives these powers, the president's inspiration may also prove very effective in other spheres.

According to the authors, this bill on legislative power for the government is a special law, meant to be in force for a limited period only. It is supposed to expire three months after the first session of the new Sejm. But the Council of Ministers may curtail or prolong its validity. That is disturbing.

So far, temporary regulations in Poland have proved longer-lasting than permanent ones. It will not be easy to deprive the government of the powers it has so generously been given, especially if the president continues to inspire the government. In any case, it will be a different government.

For the time being, the bill is merely a bill, a preliminary idea. The government is to examine it on Tuesday and may accept, amend, or reject it.

If the government does accept it, the Sejm must then approve it. A person closely linked to the authors of the bill told me that the present bill is the product of the wishes and ambitions of the leaders of several government departments.

Liberals To Ally With Democrats, Center Accord

AU1107174991 Warsaw ZYCIE WARSZAWY in Polish 9 Jul 91 p 1

["ba" report: "Together in Skierniewice"]

[Text] The idea presented by the leadership of the Liberal- Democratic Congress [KLD] on Thursday concerning a "Solidarity alliance for the elections to the Senate" is currently the subject of a debate. The KLD previously proposed talks with the Democratic Union and Center Accord on this subject.

The first voivodship-level agreement on this subject was reached in Skierniewice Voivodship, thanks to which the KLD, Center Accord, Democratic Union, Christian-National Union, Solidarity, and Private Farmers Solidarity will nominate two joint candidates for the autumn election to the Senate. KLD press spokesman Andrzej Halicki said that the Center Accord leadership tried to persuade the Skierniewice Voivodship authorities not to take part in the 16 July meeting on the subject of the alliance. However, the meeting will take place, and the Skierniewice Center Accord branch will take part in it.

Asked whether the KLD would enter into a coalition with only one of the other two parties should the other refuse to do so, Andrzej Halicki said that only the KLD Main Board can decide about that. Nevertheless, he did not rule out such a possibility, even though the original idea had been a coalition between three parties.

Iliescu Addresses Domestic, Foreign Policy Issues

NC1107175091 Cairo AL-AHRAM in Arabic 7 Jul 91 p 5

[Report on interview with President Ion Iliescu by 'Abd-al-Malik Khalil in Bucharest; date not given]

[Excerpts] The first question we asked the Romanian president when we entered his office was whether being president of a republic is an easy job or a source of happiness.

President Iliescu did not wait long to say: It is a difficult and unhappy task, particularly during this troubled stage of the crisis preoccupying Romanians. Romanians are living through an economic and political crisis, the crisis that led to the popular uprising in December 1989. Iliescu added that the uprising reacted to the movement from a totalitarian system to political democracy and from a state-controlled central economy system to a market economy. [passage omitted]

Taking into account Romania's difficult situation from having supported the liberation of Kuwait from the occupation by Iraq, a country that owes Romania approximately $1.7 billion, President Iliescu said about the Gulf situation: Romania has thought about what happened and has come to several conclusions, one of which was to heartily welcome the stand taken by Egypt and President Husni Mubarak as well as Egypt's efforts to avoid the Gulf crisis. [passage omitted]

He added: The Gulf crisis has created several problems for Romania, but our country realizes that the crisis was more difficult for Egypt.

The lesson that the Romanian president has learned from this crisis is that this difficult experience must be carefully considered and that concerned officials must be more realistic in solving new problems, as well as the ones that emerged after the war. [passage omitted]

We asked questions about the visit he plans to make to Israel in September, Romania's foreign policy, its avoidance of military conflicts, and its concept of Mideast peace.

President Iliescu said: We will do all we can, even though our resources are few. We will continue our efforts as far as our capabilities will permit. Prime Minister Petre Roman has visited the Gulf region, Kuwait, and the United Arab Emirates. One of his visit's goals was to discuss how Romania can help Kuwait normalize its economy and begin reconstruction, and we have now some experts in the Gulf who can help extinguish the oil well fires and further develop Romania's economic relations with Kuwait, the United Arab Emirates, and the other Gulf states.

For our part, we will continue our political efforts if it is at all possible to be of assistance.

The Romanian president did not mention Israel by name, even though it was the first Middle East country that invited him to visit. [passage omitted]

Our discussion turned to Romania's future, particularly considering that Defense Minister [Spiroiu] told us last year that he would prefer Romania be a "neutral" country like Austria in Europe. Asked if he has a similar vision in light of the Warsaw Pact's dissolution, President Iliescu said:

"Neutral" might not be the right term. Our policy is based on the declaration of 22 December 1989, that called for opening Romania to the entire world and developing equal relations with all the countries of Europe and other regions. This was the reason behind our support for all the resolutions of the European Security and Cooperation Conference held in Paris last year that sought a new basis for European relations. Romania expressed its satisfaction with the signing of the Paris declaration, which heralded this new reality. Now we consider the other countries to be our friends.

He added: We continue to want to avoid having military blocs on the European continent, and we thus support public interests and relations with all European countries and in all fields: economic, political, social, and cultural.

The Romanian president went on to say: We are not seeking a neutral position, but an active position of developing relations between those European countries who are willing to be part of this effort to establish a new way of thinking (with an intellectual or ethnic base) about the questions of neutrality and cooperation among European countries because, to a certain extent, Europe has been the center of international confrontations.

If we are able to establish lasting relations among the European countries, we will consequently be able to help solve a number of problems in other parts of the world, such as the Middle East, Africa, Latin America, and others. We must work toward this goal.

Seeing that Iliescu wished to talk about the Romanian declaration that followed the revolution against the Ceausescu regime—though he never mentioned him by name—we asked him what he meant by unique democracy with a Romanian character. He said: It is natural for every country to have its own history, traditions, realities, and standards of economic and social development. It does not imitate others or impose the U.S., French, or Japanese type of system on itself. [passage omitted]

It is possible to use the general principles of democracy, as long as care is taken to ensure that they suit each country's specific history and reality. This is why we are focusing on the need to develop our own experience on Romania's soil.

We asked him: There are more than 200 parties in Romania. How can they be dealt with?

Smiling, the Romanian president replied: If we take history into account, we see that this happened after a

period during which there was no possibility for self-expression, which led the people to create a new reality and new channels for expression. This resulted in a vast variety of organizations, and one can see the same phenomenon in the press. This is an objective factor, but the present situation is still a temporary one that emerged from a transition period.

It is natural to try to resolve this situation with political maturity and new methods. It seems that we will be seeing a movement toward the unification of some groups and different political and ideological lines in one to three years, after which Romania might have four or five parties.

We asked him: How will the increasing rapprochement among European countries affect Romania's relations with Arab countries?

President Iliescu said: We must develop our relations in all fields, and it is natural for us, as a European country, to develop our relations with other European countries. We must also develop our traditional relations with the Arab countries, particularly because our geographical location in Europe enables us to enjoy good relations with the East and the West.

In this respect, I believe that Romania could be a link or a midpoint for facilitating relations between Western Europe and the Middle East and could also benefit from such a role.

We then discussed Romania's view of new economic relations in light of the current transformation to a market economy.

The Romanian president said: Romania is going through the transformation from a state-run economy to a market economy, a transition that gives new incentives to economic agents and institutions. We are changing the method of developing new economic relations and are giving more initiative to all economic institutions. It is only natural to acknowledge that we are passing through a critical phase of this transformation.

He added: In the past, discussion or negotiation was easier because we only had to deal with colleagues or partners in certain agencies' central authorities, but now we need to consult numerous officials in various spheres.

Iliescu continued: The situation will improve and initiatives will emerge on various issues, including the improvement of bilateral relations with other countries.

This prompted us to ask the Romanian president why he is optimisic about the arrival of Western aid to Romania, considering that Radu Campeanu, leader of the opposition Liberal Party, had told us that the situation has worsened in Romania and that Western Europe and the United States are more reluctant to help the country. We asked the Romanian president whether he expects Western aid for Romania to stop because it is influenced by politics.

More specifically, we asked the Romanian president to explain the incident in which the government brought mine workers to Bucharest in June 1990, an action which terrified a number of opposition political party leaders, including Radu Campeanu, who had returned to Bucharest from France during the new revolutionary era.

Iliescu replied calmly: This is political one-upmanship. A year and a half have passed since our revolution began, but some people like to talk about two or three dates—12, 14, and 15 June of 1990. Some 500 days have passed, but the dates of 14 and 15 June are still being mentioned. Iliescu wondered about the opposition's failure to acknowledge all the progress that has been made over the past year and a a half.

The Romanian president added: Political and social life have changed, and we are taking steps to spread democracy in Romania and to improve the market economy. Of course, I understand the hesitancy of Western companies and investors waiting to invest capital in Romania. Naturally, we should seek to provide a stable market to receive this capital, because stability is an essential aspect of the conditions necessary to bring in foreign investors. It is therefore our task, or rather our duty, to create stability in Romania to encourage foreign investors.

We must take unfavorable circumstances into consideration, including the current political and economic difficulties.

President Iliescu went on to explain that the transformation from an old and tired economy to a developed economy is bound to involve a period of difficult years. He said that the year 1994 would herald the new Romanian economy. The Romanian president nonetheless admits that he is aware of the current situation and its inherent ramifications, difficulties, and tensions.

Asked whether he intends to nominate himself for another term in office, President Iliescu said it is to early to say. [passage omitted]

Privatization Bill Introduced in Senate Session

AU1107182691 Bucharest ROMPRES in English 1702 GMT 11 Jul 91

[Text] Bucharest ROMPRES 11/7/1991—Romania's Senate has introduced on its agenda the Privatisation Bill, submitted by the government and labelled by its representative as "one of the most important normative acts."

In his rationale, the prime minister's assistant for the reform and the liaison with parliament, Adrian Severin, showed that the privatisation bill tops up the main legislative package initiated by the acting government and is prevailingly technical and less political in character. The only major political trait of the act is the placement of the state assets bulk under parliament's control.

Referring briefly to some technicalities, such as the means and ways of free transfer of part of the national wealth to private Romanian citizens' property, Mr. Severin notified the decision of the executive to assume responsibility for the privatisation of those state-capital commercial companies that "have first been brought afoot to a certain extent." That is the very reason why the government suggests the alteration of the bill's title into "Bill of Privatisation of Commercial Companies." While admitting that the draft may not be the best, he said the government considered the project submitted could ensure the fastest and least wasteful privatisation process.

Mr. Severin pointed out that if the bill failed to pass, all the efforts so far would be pointless and stressed that, following the frequent consultations of the government with the two chambers' specialised commission, the executive accepted the viewpoints of the commission to the tiniest details. Therefore, he said, the initiator and the commission have reached a common standpoint.

Article Views Dissension Within Vatra Romaneasca

AU1107173991 Bucharest ROMANIA LIBERA in Romanian 9 Jul 91 p 2

[Andrei Badin article: "Dissension Within the 'Vatra Romaneasca'"]

[Text] Mr. Mihai Bujenita, member of the Steering Committee and chief editor of the weekly TARA NOASTRA, the publication of the Bucharest branch of 'Vatra Romaneasca' said that, "The Bucharest branch of 'Vatra Romaneasca' considers illegal the congress held in Tirgu-Mures in June."

In an interview granted to news agency ARPRESS—ROMANIA LIBERA, he said that the meeting held in Cluj in May and attended by representatives of 30 branches was the real congress of this organization. The Cluj congress decided, among other things, that the "Vatra Romaneasca" leadership be ensured by a steering committee and that the people politically involved in other parties should no longer be able to be part of the leadership.

Dissensions within this organization gained in scope with the convening of the Tirgu-Mures congress, and then became more serious because of the election of Mr. Iosif Constantin Dragan as "honorary" president. Mr. Bujenita views this election as "completely inappropriate," and "at variance with the aspirations of the Vatra" because of this gentleman's activity within the Iron-Guardist Movement, and later for the communists.

"Vatra Romaneasca should not become a political springboard for certain people," Mr. Bujenita said referring to Mr. Radu Ceontea.

Another bone of contention between the two sides of Vatra Romaneasca is Mrs. Carolina Ilica, a poetess of the Union of Communist Youth, who propelled herself to the position of spokeswoman of that organization. After her Vatra-style statement about France's president, and because of her attitude, Mrs. Carolina Ilica was excluded from the Bucharest branch. In response to this move, at the Tirgu-Mures congress she demanded that the Bucharest branch be put in order. Consequently, those who were close to her in the Bucharest branch were also excluded.

However, Mr. Mihai Bujenita did not specify what the actions of the "dissidents" were; according to his opinion, the position that is to be taken should ensure the credibility of Vatra.

Referring to the Treaty of Good Neighborliness, Cooperation, and Friendship with the Soviet Union, Mr. Bujenita said that this treaty was signed "hastily" and that it would have been much better had the Parliament discussed its contents first.

Reportage on President Iliescu's Venezuela Trip

WA1107131691

For reportage on the visit by President Ion Iliescu to Venezuela, including reports on his talks with President Carlos Andres Perez and other officials, see the Venezuela section of the 10 July Latin America DAILY REPORT and subsequent issues.

Federal

FEC Sees Situation 'Slipping Out of Control'

LD1207134791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1024 GMT 12 Jul 91

[Text] Belgrade, 12 Jul (TANJUG)—At today's session, the Federal Executive Council [FEC] examined the situation in the country and measures to achieve a cessation of the armed conflicts, which is in the vital interests of the country and also an international undertaking by Yugoslavia during the period of the moratorium as contained in the Brioni Declaration.

The FEC has ascertained, according to the FEC Secretariat for Information, on the basis of reports from the relevant government departments that in certain parts of the country, in particular in Croatia, the situation is continuing to worsen and there is a danger of armed conflicts of wider proportions.

The moratorium not only implies a halt to the implementation of acts in the assemblies of Slovenia and Croatia but also refers to a cessation of conflicts and the establishment of peace throughout the country and to the application of all decisions that have been adopted, regardless of whether they relate to secession, dissociation, changes to internal borders between republics and within them, including the formation of new autonomy, changes in external borders, the regime on the borders, the use of force, armed conflicts, and the formation of illegally armed formations, and this means the withdrawal of arms and the demobilization of all additionally mobilized armed formations. These are the bases of the moratorium on which the Brioni Declaration is based.

To this end, the FEC is calling for the state organs in the republics, and federation-level bodies, particularly the Yugoslav Presidency, to take all measures to fully observe the moratorium for a period of three months and to prevent conflicts and bloodshed.

The FEC notes that the development of events is slipping out of the control of the relevant organs in the republics and at the level of the federation. Armed actions are being undertaken by all political parties, whose members and organizing themselves on national and party bases. These may have unforseeable consequences.

The FEC also assesses that in certain parts of Bosnia-Hercegovina territorial defense units are being engaged arbitrarily and without the authority of the organs of the republic and the federation.

The FEC has held talks with the most responsible officials in Bosnia-Hercegovina and Macedonia, and will do so with the other republics in the next few days, in order to realize without delay conditions for a complete cessation of armed conflicts, the realization of all other conditions of the moratorium, and the conditions for beginning talks on the regulation of future relations in Yugoslavia, which have not so far been achieved.

The FEC also calls on other competent organs in the federation to take measures within their jurisdiction to prevent the further escalation and deterioration of the political and economic situation in the country, and to this end is again insisting on the urgent convening of a session of the SFRY Presidency together with the FEC, representatives of the republics.

FEC Demands Urgent Consultations

LD1107210191 Belgrade TANJUG Domestic Service in Serbo-Croatian 2007 GMT 11 Jul 91

[Text] Skopje, 11 Jul (TANJUG)—Yugoslavia is facing an economic and social catastrophe. The Federal Executive Council [FEC] is therefore demanding that the most responsible factors in the state hold an urgent meeting. This statement was made by Prime Minister Ante Markovic during his news conference in Skopje following his talks with the Macedonian government.

The Yugoslav prime minister said that the FEC is proposing a peaceful program and demanding consultations with all republics. The three-month moratorium must be used for peace negotiations and also for establishing conditions for the demobilization of a large number of citizens in possession of arms. Only under such conditions, said Markovic, can one hold talks about the necessary establishment of a normally functioning market system.

Proceeding from the right of every republic to sovereignty, it should be precisely determined what can still link us together, or failing that, finding methods for peaceful separation.

Presidency Discusses Slovenia, Brioni Accord

LD1207094491 Belgrade TANJUG Domestic Service in Serbo-Croatian 0912 GMT 12 Jul 91

[Text] Belgrade, 12 Jul (TANJUG)—A session of the SFRY Presidency began at 1030 in the Palace of the Federation in New Belgrade. As TANJUG has learned, the session is being presided over by Stipe Mesic, and Janez Drnovsek is the only member of the collective head of state who is not attending the meeting.

Today's session, as announced earlier, is to consider the conclusions of the Presidency of 4 July on the situation in Slovenia and the Brioni Declaration.

Assembly To Continue Despite Republics' Absence

LD1107202591 Belgrade TANJUG in English 1755 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—The functioning of the Chamber of Republics and Provinces of the Yugoslav Assembly is blocked by the revocation of the deputies from Slovenia and Croatia, as Secretary of the Chamber Milan Krnic told newsmen today.

Even though Slovenia and Croatia persist in their decisions to withhold their deputies from the Yugoslav Assembly,

both the Chamber of Republics and Provinces and the Federal Chamber will continue to work, as Krnic set out.

In that case, as Krnic said, a separate legal act will be passed to regulate the work of the two chambers.

Representatives of Yugoslavia's northwestern republics, which unilaterally proclaimed their independence in late June, did not attend a meeting of the two chambers' leaderships today.

The mentioned act should be passed immediately in order not to hinder the settlement of the country's vital problems, ranging from payment operations to international obligations, Krnic said.

Kacin Says Mesic Target of Assassination Plot

AU1107203991 Belgrade Radio Belgrade Network in Serbo-Croatian 1700 GMT 11 Jul 91

[Dragoslav Kosaric report]

[Excerpts] Monetary problems were the focus of attention at this afternoon's news conference in the press center in Ljubljana.

[Kosaric] [passage omitted] Regarding the second part of the news conference, we will begin with the final sentence by Jelko Kacin, which was mentioned in passing and which can otherwise be read in the tabloids, that it is questionable whether tomorrow's session of the SFRY Presidency will be held because the assassination of Stipe Mesic, president of the SFRY Presidency, is allegedly being planned.

In this psychological news war, this is a prime example of the spreading of dubious news or half-truths. Kacin claims that General Cad, commander of the Rijeka corps, threatened today to stop supplies to the town of Ilirska Bistrica. [passage omitted]

Court Temporarily Bans Parts of Independence Acts

LD1107214391 Belgrade TANJUG in English 1951 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—The Constitutional Court of Yugoslavia today adopted a decision temporarily banning the implementation of parts of Slovenia's and Croatia's decisions declaring the two Yugoslav republics independent states and separating them from the Yugoslav Federation.

Under decisions adopted by their parliaments on June 25, the two republics, among other things, suspended the Federal Constitution and Federal laws on their territories.

The procedure for assessing the constitutionality of the decisions by Slovenia and Croatia before the Constitutional Court was initiated by the Federal Government.

National Bank Chief on Financial Problems

LD1007204791 Belgrade TANJUG in English 1925 GMT 10 Jul 91

[Text] Belgrade, July 10 (TANJUG)—The governor of the National Bank of Yugoslavia (NBY), Dusan Vlatkovic, said on Wednesday that the national banks of Slovenia and Croatia could not use funds from primary money yet since their republics have not suspended laws which disrupt the single monetary system of Yugoslavia.

Vlatkovic told a news conference he was convinced that conditions would soon be created for relations between the central monetary authority and the national banks of Slovenia and Croatia to be normalized.

The board of governors adopted a decision on June 27 which unables the two banks access to reserve funds.

According to Vlatkovic, not a single dollar of aid from abroad should be expected until the end of September and new credits are under a big question mark until the end of the year.

The NBY board of governors has decided to intervene on the foreign exchange market with 360 million dollars in the third quarter in order for the federation to meet its obligations towards foreign creditors.

Foreign exchange reserves are expected to amount to 3.6 billion dollars at the end of September, Vlatkovic said.

Economy Chamber Official on Worsening Situation

LD1107174491 Belgrade TANJUG in English 1518 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—Yugoslav Chamber of Economy (YCE) President Dagmar Suster said in Belgrade today that the "chamber would not let itself become one more scene of Yugoslavia's breakdown."

Suster said at a session of the YCE Assembly that the economic situation in Yugoslavia had notably deteriorated since June 26, when the Republic of Slovenia unilaterally declared independence.

Suster, himself a Slovene, said that "no one will be able to avoid historic responsibility" for the reckless ruining of the economy's vital foundations.

The session was not attended by the representatives from Slovenia and Croatia, which also unilaterally declared independence and sovereignty.

The federal authorities regard the unilateral acts as null and void.

Daily: Nuclear Reactor 'Potential Atomic Bomb'

LD1107204291 Belgrade TANJUG in English 1721 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—The Belgrade daily POLITIKA today writes that the reactor of the Institute for

Nuclear Studies "Jozef Stefan" is a "potential atomic bomb" near the Slovenian capital of Ljubljana.

The 250-kilowatt fission nuclear reactor "Triga Mark Two" uses enriched uranium 235, and the installation was built in 1963, POLITIKA says.

It adds that a nuclear installation, being part of the "Jozef Stefan," does not threaten the environment as much as the Krsko nuclear power plant.

However, the paper warns that the installation "does not have all security systems otherwise required for nuclear power plants so that even minor subversions can jeopardize it".

Defense Secretariat Replies to Slovenia

LD1107202391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1546 GMT 11 Jul 91

["Federal Defense Secretariat Reply to Slovene Presidency"—TANJUG headline]

[Text] Belgrade, 11 Jul (TANJUG)—In its letter to the Federal Presidency on 9 July, the Slovene Presidency comes out with a series of lies concerning a failure to implement the Brioni joint declaration and the accompanying documents. This was done in order to conceal the attitude of the Slovene authorities to the responsibilities laid down by the declaration, it is stated in the reply distributed to journalists at today's news conference by Colonel Milan Gvero, spokesman for the Federal Secretariat for National Defense [SSNO].

In connection with claims by the Slovene Presidency that "the YPA [Yugoslav People's Army] carried out an aggression against the Republic of Slovenia and that YPA units stationed on the territory of the SFRY constitute a constant threat of aggression," the SSNO stresses that it is a well-known fact that this is a classic example of secessionist war that Slovenia imposed on the SFRY.

The SSNO recalls that the YPA is the means of defense for the territorial integrity of the SFRY—being the only internationally recognized subject—as well as the means of defense of the joint interests of all other Federal units, members of the Yugoslav community. "Slovenia, by its one-sided documents and behavior, imposed war on all of them as a means of struggle for secession," the SSNO states in the reply.

The SSNO goes on to indicate that, in keeping with the Brioni Declaration, a uniform control of air traffic in the whole of Yugoslavia was established through the Federal Administration for Air Traffic Control and corresponding regional organs.

"Not a single provision of the declaration or the accompanying documents imposes on the YPA a duty to report the flights of its aircraft to any republican organs, including Slovene ones. For this reason Slovenia's demands that the YPA report all information on Army aircraft flying over and on the control of their cargo represents a departure from the declaration's provisions, which means that Slovenia is unlawfully insisting on an element of sovereignty that it does not have either according to domestic or international law," assesses the SSNO.

The claims that the YPA units have still not returned to their original barracks are arbitrary and false. All units that had been moved have been returned to their barracks, apart from two tanks in Nova Gorica, six tanks in Vipava, and a battery of mortars in the barracks of the border battalion in Nova Gorica. They have not returned to their barracks because this has been prevented unlawfully by the Slovene armed forces, the SSNO stresses. In order to prevent conflicts, these YPA units have remained where they were at the moment of the cease-fire.

In Bohinjska Bela, apart from the units which are usually there, elements of the border units that were also forced to leave the border and the watchtowers have also been there during the cease-fire. The claim that there has been any kind of movement of units from Kranj to Bohinjska Bela is false.

It is a complete fabrication, the SSNO stresses, that on 7 and 8 July, new units were taken by helicopters with Red Cross markings to Ljubljana, Vrhnika, Maribor, Novo Mesto, and others. Those days, and a day later, the officers were taken to their home units after their release from prison, as well as officers who finished their command-headquarters course and who were posted to Slovenia as early as May. This was done as a part of the food transportation for these units.

Also completely unfounded, the SSNO states, are the claims that mobilization is being carried out as a threat to Slovenia. Mobilization was ordered and carried out, it is stressed, precisely because Slovenia is not sending recruits to the YPA, as certain other republics are also doing. Thus the numbers of the YPA have been significantly disrupted and could not be made up in any other way than calling up Army reservists. This is confirmed by the fact that the number called up is approximately the same as the number of recruits not sent in the contingents from September up until now.

The SSNO also denies the claim that the YPA is observing the Republic of Slovenia from the air, and states that all flying activity is carried out as part of the regular operations of the Air Force in the defense of Yugoslavia's air space.

The SSNO considers that the Slovene side is preventing the application of the Brioni Declaration and accompanying acts by the fact that they have still not removed the mine fields which the armed forces of Slovenia placed on roads, streets of towns, and approaches to military facilities.

The mines that the YPA has laid around military installations are not a danger to anyone except attackers and their removal cannot be sought by reference to the declaration while there exists a danger of attack, the SSNO reply says.

The YPA resolutely demands that all its remaining members be released from prison and that they be allowed freedom of movement, considering that the deadline (8 July—TANJUG) envisaged for it by the Brioni Declaration and the accompanying documents has long expired.

No citizens of the Republic of Slovenia and no members of its armed forces are being kept in the commands, units, or establishments of the YPA, except those who committed serious criminal acts that will be dealt with through regular court proceedings.

Soldiers of Slovene nationality who are in the YPA enjoy the same rights as all the other soldiers and will be discharged from the YPA as soon as they have completed their military service according to Federal regulations. No YPA officer who requested that his service cease was kept in active service by force, it is stated in the reply of the SSNO to the Slovene Presidency.

Concluding that the YPA strictly observes the provisions of the Brioni Declaration and the accompanying documents, the SSNO stresses in its reply that organs of the Republic of Slovenia are not doing the same. The unblocking of YPA units and establishments was not carried out and neither were all the road blocks lifted. In fact they are being lifted and then set up again. In some places road blocks have even been reinforced.

Control points have been set up outside a large number of barracks to check on all exits and entrances, nonstop, which the SSNO assesses is a new aspect of a blockade.

No YPA equipment—confiscated weapons, ammunition, and Army equipment—has been returned and demands for recovering material means and for leaving Army facilities have been ignored. Some border towers have been occupied which, according to the declaration, can only be done by YPA members.

YPA members and their families are kept under constant control, exposed to unprecedented propaganda pressure and restrictions of all kinds which reduces them to second-class citizens and insults their dignity. The units and establishments are also being cut off from their food, electricity, water, and other supplies from time to time and without any reason at all.

A number of YPA members are still imprisoned, and information on them has not been given even to the Yugoslav Red Cross, states the SSNO in its reply to the Slovene Presidency.

Defense Spokesman on Possible Armed Conflicts

LD1107222291 Belgrade TANJUG in English 1842 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—The Yugoslav Defense Ministry spokesman today said that the situation in the Republic of Croatia was becoming more complicated and that an armed interethnic conflict is possible at any moment.

Colonel Milan Gvero told a news conference that the task of the Army was to prevent bloodshed in the second-biggest Yugoslav republic.

Clashes between the majority Croatian population and the minority Serbian population have been going on in Croatia since last summer.

On the situation in Slovenia, Gvero accused the republican authorities of "directly violating the decisions of the Yugoslav Presidency and the Brioni Declaration."

Both documents, among other things, envisage an end to the clashes between the Yugoslav Army and the Slovenian Territorial Defence and the withdrawal of both sides' units to peace-time facilities.

Clashes broke out when Army units were sent to Slovenia under orders from the Federal Government to protect the state borders in Slovenia after the republic's unilateral decision on independence on June 25.

Accusing the Slovenian authorities of an "unhonourable Machiavellian policy" and misinforming the public, Gvero said that despite all agreements, Slovenes "put anti-tank obstacles and minefields" outside Army barracks in the republic yesterday and today.

Their armed formations took more suitable positions instead of returning to peace-time installations.

An example of this, Gvero set out the barracks in Ilirska Bistrica, in western parts of Slovenia. [sentence as received]

According to Gvero, most Army barracks in Slovenia are blocked, the movement of ambulances and supply vehicles is hampered, and the freedom of movement to Army personnel and their families limited.

Soldiers and officers are called to desert, while Slovenian soldiers are threatened with punishment under republican laws if they continue to serve in the "occupation army," Gvero said.

He added, however, that many officers and Slovenian soldiers are staying in the Army. Gvero cited the example of the "Boris Kidric" barracks in Ljubljana, where 65 soldiers of Slovenian nationality said they wanted to serve their complete military. [sentence as received]

Secretariat Affirms Spegelj Charges Still Stand

LD1007163491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1058 GMT 10 Jul 91

[Text] Belgrade, 10 Jul (TANJUG)—Nothing has changed regarding the criminal responsibility of former Croatian Defense Minister Martin Spegelj. Charges were filed against him before the military court in Zagreb because of a well established suspicion that he committed a criminal act of armed insurrection, and so far in that trial no legal pardon has been meted out. This is stated in a reply by the Federal Secretariat for National Defense sent to the SFRY Assembly today, regarding a

question by delegate Bartic Jovanovic whether charges against Spegelj were dropped since he was seen talking to some top Army officers.

However, the trial of the former Croatian minister has been postponed because, the reply stresses, of the fact that appropriate Croatian bodies are refusing to cooperate and carry out their obligations in this trial. At the same time, bodies of the Croatian Internal Affairs Ministry have been providing Spegelj with extremely strong protection.

In light of the fact that Martin Segelj's role and responsibility became sufficiently clear during trials of other protagonists of the armed insurrection, he will be brought before the military court as soon as he becomes available to the Yugoslav People's Army law enforcement bodies, the Federal Secretariat for National Defense reply says.

Warning Against Interference With Air Force

LD1207093991 Belgrade TANJUG Domestic Service in Serbo-Croatian 0849 GMT 12 Jul 91

[Text] Belgrade, 12 Jul (TANJUG)—Lieutenant Colonel General Zvonko Jurjevic, commander of the Air Force and Anti-Aircraft Defense, warned today that members of the Air Force and Anti- Aircraft Defense will continue their peacetime flight training according to plan but that in any instance of action against military aircraft in the airspace of the SFRY they will return fire from the air. The warning from the commander of the Air Force and Anti-Aircraft Defense reads:

"The members of the Air Force and Anti-Aircraft Defense fully support all measures which the Federal organs have taken and are taking to preserve peace in the SFRY. In this spirit the units of the Air Force and Anti-Aircraft Defense are continuing, according to their training plans, their peacetime training, and units of the Air Force are continuing their regular flight training in accordance with the regulations in force in the single air space over the entire territory of Yugoslavia.

Air Force units will carry out their peacetime training, and abuse from any quarters in the form of action against aircraft of the Air Force and Anti-Aircraft Defense will constitute a crude violation of the existing agreements on a peaceful resolution of the Yugoslav crisis.

Any attempt to conduct action against our aircraft in the airspace of the SFRY will be answered with fire from the air. Full responsibility in the event of casualties among innocent people and for material damage will be borne by the initiator of the conflict.

[Signed] Commander of the Air Force and Anti-Aircraft Defense, Lt Col Gen Zvonko Jurjevic."

Tupurkovski on 'Very Useful' Talks in The Hague

LD1007171291 Belgrade TANJUG in English 1428 GMT 10 Jul 91

[Text] Belgrade, July 10 (TANJUG)—The talks with President of the European Community (E.C.) Council of Ministers Hans van den Broek were very useful and I expect a statement of the council to be issued which will urge all sides to implement quickly and to the full their obligations set out in the Brioni accord. Yugoslav State Presidency member Vasil Tupurkovski told TANJUG at Belgrade airport today upon his return from The Hague.

Tupurkovski said he came from The Hague with a firm conviction that E.C. guarantees are valid. The community stands firmly behind its engagement, ready, at our invitation and in agreement with competent organs in Yugoslavia and in the republics, to continue to help in the peace process, particularly agreements on the future relations in the country.

Tupurkovski added that he informed van den Broek about his visit to Slovenia and all aspects of the implementation of the Brioni accord.

However, Tupurkovski believes, various concrete technical problems have to be resolved, particularly over the implementation of the first annex of the accord which relates to the suspension of the implementation of the declaration of sovereignty (launched by two Yugoslav republics Slovenia and Croatia), a return to the previous state prior to June 25, the return of Army units to the border belt, the lifting of the blockade of Army units and the ensuring of free communications.

International

Soviet Commentary on Conflict, U.S. Stance Cited

LD1107172491 Belgrade TANJUG in English 1621 GMT 11 Jul 91

[Text] Moscow, July 11 (TANJUG)—The Soviet Union urges a peaceful settlement of the Yugoslav crisis, but with the preservation of Yugoslavia's unity, the Soviet news agency APN writes, interpreting the essence of the messages which Soviet Foreign Minister Aleksandr Bessmertnykh recently sent to the foreign ministers of France, Germany, Great Britain, China and the countries bordering with Yugoslavia.

APN says that Bessmertnykh spoke out against interference in the internal affairs of Yugoslavia and against an internationalization of the conflict.

The first reaction to the events in Croatia and Slovenia was very restrained in Moscow, Washington, and most European capitals, the commentary says, recalling that the two republics were not recognized by any state.

This way the 35 CSCE member-countries confirmed adherence to the Berlin statement.

The later developments in Slovenia resulted in corrections in the stands of a number of countries, APN says, noting that the Soviet Union did not change its initial assessments.

APN recalls Washington's statement that the United States can in future recognize the independence of Slovenia and Croatia if "the negotiations with the center reach a deadlock", and writes that the stand of the U.S. Administration provoked covert disapproval in Moscow.

Some diplomats believe that the United States is manifesting an "approach based on ideology" towards the Yugoslav crisis, of which it has been accusing the Soviet Union for years. Washington tends to see the situation in Yugoslavia as a conflict between the Communist leadership of Serbia and the democratically elected parliaments in Slovenia and Croatia, the diplomats say. The political course is formed by taking this as the starting point, which is favourable to the "separatists".

The APN commentator admits there can be a parallel between the Soviet Baltic republics and Slovenia, adding that the internal political situation in the Soviet Union has predetermined its course in the Yugoslav crisis and no matter how the situation in Yugoslavia develops, the Baltic problem will occupy the Soviet diplomacy for a long time to come. Judging by all this, the Soviet Union will remain the most reliable ally of the Yugoslav Government.

Daily Says USSR is 'Key Point' for Slovenia

LD1007155191 Belgrade TANJUG in English 1316 GMT 10 Jul 91

[Text] Ljubljana, July 10 (TANJUG)—'The Soviet Union is one of the key points in the international recognition of Slovenia,' the Ljubljana daily NEODVISNI DNEVNIK assesses.

The paper believes that the Soviet Union 'will not recognise Slovenia as a subject of international law because it would have to do the same in case of Lithuania and other states.'

It says that Soviet diplomats 'do not believe in the nonsense told by (Yugoslav Defence Minister) Kadijevic and (Prime Minister) Markovic about Germany's penetration to the Adriatic,' adding that the Balkans was first a Russian and then a Soviet sphere of influence.

The Soviet Union treats Slovenia as a party to a conflict with the federation, not as a rebel, concludes the paper.

Tudjman, Mesic Meet French Special Envoy

LD1007221891 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 10 Jul 91

[Text] Croatian President Franjo Tudjman and Yugsolav Presidency President Stipe Mesic held separate talks today with Jacques Blot, the French Foreign Ministry's director for European affairs, who is in our country as a special envoy of President Mitterrand to learn of the different views on solving the Yugoslav crisis.

Peterle, French Official Discuss Conflict

LD1107193891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1830 GMT 11 Jul 91

[Text] [no dateline as received]—Slovene Prime Minister Lojze Peterle today held talks with Jacques Blot, director for Europe in the French Ministry of Foreign Affairs.

On this occasion, the French diplomat told Peterle that regarding the conflict in Slovenia, France is not indifferent. He especially advocates the policy of talks and agreement. Jacques Blot also expressed interest in the situation in Croatia, Bosnia-Heczegovina, and Serbia.

Peterle told his guest that at this moment, it is very important for Slovenia to preserve peace and to continue the implementation of the right to self-determination in an agreed manner.

Foreign Ministry on Albania's 'Direct Instigation'

LD1107203991 Belgrade TANJUG in English 1826 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—The Yugoslav Foreign Ministry today accused Albania of trying to "take advantage of the current situation in Yugoslavia" to materialize the "notorious claims on Yugoslav territories populated by ethnic Albanians."

In its statement, the Ministry accuses Albania of "objectively jeopardizing the integrity of neighbouring Yugoslavia and hence also the security and peace in the Balkans and Europe."

The statement was given in reaction to a letter addressed on Monday by Albanian President Ramiz Alia to the presidents of the five permanent Security Council member countries, the Ministerial Council of the CSCE, and the European Commission.

His letter asserted that "Albanian population in Yugoslavia is exposed to national oppression" and sought an engagement of the international community in preventing the outbreak of "fresh conflicts in Kosovo," the predominantly Albanian-populated south province of the biggest republic of Serbia.

The foreign ministry assessed Alia's letter as "direct instigation to an armed rebellion in Kosovo" and "blockade of efforts by Yugoslav and international political factors, especially the E.C. and the CSCE" in seeking a resolution of Yugoslavia's crisis through dialogues, peace and democracy.

"Although it has been admitted to the CSCE only recently," Albania affords to carry on with its "policy which had for one decade and a half prevented it to accept the CSCE final document," it is said in the statement by the Foreign Ministry.

The statement next mentions that "it is high time Albania realized it has to apply all the CSCE principles" if it wants to be included into European cooperation, and

that it should have no delusions that "a different approach is possible today."

'Demarche' Made with Hungarian Authorities

LD1107170191 Belgrade TANJUG in English 1445 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—Yugoslav Foreign Ministry spokesman Srdjan Kerim told a news conference in Belgrade today that "a demarche was made with the Hungarian authorities through Yugoslav Ambassador in Budapest Rudi Sova."

Sova was recently summoned to the Hungarian Foreign Ministry because of an alleged "attack on a village in eastern Slavonija inhabited predominantly by ethnic Hungarians", Kerim said.

Kerim assessed Hungary's concern as "unacceptable from the standpoint of European security and cooperation as well as good- neighbourliness."

Statement to U.S. Media Details Crisis

LD1107224391 Belgrade TANJUG in English 2127 GMT 11 Jul 91

[Text] Washington, July 11 (TANJUG)—The Yugoslav Embassy in Washington today published a statement informing the U.S. public that the Yugoslav People's Army had "limited targets" in the Republic of Slovenia and that the Slovenian Territorial Defence had in its attack on the Yugoslav Army in Rozna Dolina put civilians and children in front of [words indistinct]

In a statement for the press, the first since the outbreak of the crisis in Yugoslavia, the Yugoslav Embassy in Washington set out other information on the conduct of the Slovenian Territorial Defence, including the taking of hostages, mistreatment of officers' families, preventing of the evacuation and treatment of the wounded, use of ammunition banned by international conventions and other "major violations of humane conduct."

The document, sent to the addresses of 140 U.S. newspapers, radio and television stations, accused the Red Cross of the Yugoslav Republic of Slovenia of not opposing such actions, but of putting itself in the service of the propaganda war against the Yugoslav People's Army.

The Yugoslav Embassy at the same time protested against an article in TIME magazine which said that the nations which make up Yugoslavia are not in the community of their own free will and that the country is an "artificial creation."

The protest said, among other things, that "neither the Yugoslav Army nor the Federal Government have ever had, nor now have any intention of restoring communism or of fighting against the democratic aspirations of the Slovenian people."

Serbian Socialists Conclude Strasbourg Visit

LD1007164791 Belgrade TANJUG in English 1450 GMT 10 Jul 91

[Text] Strasbourg, July 10 (TANJUG)—The president of the delegation of the European Parliament, Jean Pierre Cotte, today said on the demands of the republics of Slovenia and Croatia for recognition of their independence, that 'unilateral acts are unacceptable'.

Cotte today discussed the political situation in Yugoslavia with a group of socialist deputies of the Serbian Assembly, which today ends its visit to Strasbourg.

The three-member delegation, headed by Bogdan Trifunovic, set out facts yet unknown about the Yugoslav crisis during the talks with Cotte and the vice-president of the European Parliament, Waltyer Ais.

After the talks in Strasbourg, my impression is that West Europe is not familiar with the stands of the biggest Yugoslav republic of Serbia, said Trifunovic.

He recalled Cotte said that he had had the impression until today's talks that Serbia held a very inflexible stand towards federalism.

The European Parliament officials said that the recognition of independence of Slovenia and Croatia would, at present, mean adding fuel to the fire of the Yugoslav crisis.

Foreign Ministry Spokesman on Crisis Solution

LD1107204791 Belgrade TANJUG in English 1648 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—All major European factors call for a "democratic resolution of Yugoslavia's crisis, within today's framework of the state," said Dr. Srdjan Kerim, spokesman for the Federal Foreign Ministry, at his press conference here today.

Kerim said that one should not overlook "Europe's clear-cut choice of a Yugoslavia wanted as a partner" regarding the trend in this country to get itself included in the process of European integration.

He explained the role of an EC mission due to arrive in Yugoslavia soon. The mission will be "assigned with monitoring the implementation of the Brioni agreement, and the details about its mandate, duration and scope of activities will be presented in a memorandum," said Kerim.

The Brioni agreement on the peaceful resolution of Yugoslavia's crisis was made on July 8 by Yugoslav leaders and the three EC Ministers.

Kerim added that "naturally, the main part of the job of solving Yugoslavia's crisis belongs to Yugoslav political factors, while the role of others is understood to be assistance rather than substitute for what we must do."

In commenting on the recent visit by Yuliy Kvitsinskiy, Mikhail Gorbachev's special envoy, Kerim said the Soviet stand underscored the "territorial integrity of Yugoslavia."

Slovenia

Kucan Seeks Army Respect for Nuclear Plants

LD1207124591 Belgrade TANJUG Domestic Service in Serbo-Croatian 0858 GMT 12 Jul 91

[Text] Ljubljana, 12 Jul (TANJUG)—Slovene Presidency President Milan Kucan sent a letter today to the SFRY Presidency in which he stresses that the Republic of Slovenia's Presidency and the public are justifiably expecting a clear reply and guarantee from the SFRY Presidency that in the future there will be no violation of international acts on the nonaggression and defense of nuclear facilities, which the SFRY also signed.

The letter claims that in recent months there have been several threats of an attack on the Krsko nuclear power station. Thus, he cites, on 15 May 1991 three "kamikazi pilots" threatened to bomb the nuclear power station before the end of May at the latest. Vojislav Sesalj, the Chetnik leader, also threatened an attack. There have been anonymous and public threats. On 21 June a group of single-engine Army planes flew over the Triga research reactor in Podgorica near Ljubljana, and later two additional Army helicopters and two Army jets flew over the reactor.

The threats against the nuclear power station, according to Kucan, "increased during the Yugoslav Army's aggression against the Republic of Slovenia, particularly on 1 July when three jet fighters of the Yugoslav Army several times carried out a close encounter maneuver from opposite directions at a low altitude right above the nuclear power station."

"This action, which can in no way be justified, caused great concern and anger among the population of Slovenia and the international public and elicited sharp protests and demands from the relevant republican organ, international organizations, and governments of foreign states that there should be an immediate halt to threats to nuclear facilities," Kucan stresses in his letter.

The organs of the Republic of Slovenia and the public as well as experts see this behavior by the Yugoslav Army as a direct threat of an attack on a nuclear power station, which is, as the letter says, contrary to all civilized norms and adopted international acts on the defense of these facilities.

"Taking into account the danger that would arise in the case of a nuclear accident which could occur due to Yugoslav Army combat activities, the republican headquarters for nuclear security decided on 1 July to bring the nuclear power station to a halt by cooling it down, and the republican organs and the Krsksso nuclear power station also informed the relevant international organizations and foreign governments about the Yugoslav People's Army [YPA] threats and actions," Kucan notes in his letter.

The letter then recalls that in 1983 the SFRY Government proposed, among other things, the resolution on nonaggresion against nuclear facilities. In 1990, at the 34th session of the International Atomic Energy Agency, the SFRY delegation voted for a resolution on the ban of all armed attacks on nuclear facilities intended for peaceful use. Moreover, as it is cited, the YPA's endangerment to the Krsko nuclear power station and the Triga Research Center in Podgorica contradicts the 1949 Geneva Convention on the protection civilians during wartime. The world public responded decisively to the anonymous and public threats and to the Yugoslav Army combat aircraft's flights over nuclear facilities. The IAEA sent a letter to the SFRY Presidency demanding that they "confirm" that they had undertaken all the necessary protection measures to prevent enemy actions against the Krsko nuclear power station or in its immediate vicinity which could endanger its integrity and security."

Taking this into acount, and taking into account all possible consequences of an attack on the nuclear power station or any other nuclear facilities, the letter proposes that the SFRY Presidency ensures, within its authority and responsibility, that the Yugoslav Army and other federal organs unconditionally respect the aforementioned IAEA resolutions on nonaggression against nuclear facilities and the additional protocol to the Geneva Convention.

At the same time, the Republic of Slovenia Presidency announces its decision to ensure that the Territorial Defense and other Slovene defense forces consistently observe these resolutions and conventions. This letter was also sent to Hans van den Broek, the IAEA in Vienna, and Perez de Cuellar.

Peterle Emphasizes Defensive Strategy

AU1107195291 Paris AFP in English 1924 GMT 11 July 91

[Text] Ljubljana, Yugoslavia, July 11 (AFP)—Slovenia's territorial defense forces are demobilizing but must remain on the defensive until the Yugoslav federal presidency approves the EC- brokered Brioni agreement, Slovenian Prime Minister Lojze Peterle said Thursday.

Mr. Peterle, in an interview here with Agence France-Presse, said Slovenia was "progressively demobilizing" its forces, as called for in the accord reached Sunday on the Adriatic Sea island of Brioni through European Community mediation.

"But with the federal presidency in Belgrade having not yet signed the Brioni agreement ... Slovenia must remain on the defensive," Mr. Peterle said.

The federal presidency is expected to discuss the agreement on a peaceful settlement of the Yugoslav crisis during a session on Friday. Slovenia's parliament ratified the accord on Wednesday.

Both the Slovenian and federal authorities have accused each other of failing to comply with conditions of the

Brioni agreement which stipulated that the army return to its barracks and the Slovenian defense force be demobilized by last Monday.

Mr. Peterle said blockades around some Yugoslav Army barracks in Slovenia by territorial defense forces will be "partially lifted."

"But in regions where Yugoslav forces opened fire on civilians, destroyed buildings and looted homes ... the forces will remain," he said, citing the towns of Gornja Radgona, Dravograd and Maribor.

He said that "in agreement with the army," Slovenian forces would remain in these towns "to protect military facilities from the anger of the local population."

At least 62 people were killed during six days of fighting which broke out in Slovenia on June 27, two days after the Slovenian and Croatian parliaments unilaterally declared independence.

Mr. Peterle also said that the two greatest present dangers were "a breakup of the Yugoslav Army," leaving an essentially Serbian military, and a generalized conflict between Serbs and Croats.

Slovenian independence or not, the biggest problems are centered on the Serb-Croat conflict and the state of the federal army," he said.

"The confrontation between Serbs and Croats risks spreading beyond the borders of Serbia and Croatia and into Bosnia," which has a mixed population of Serbs, Croats and Moslems, he said.

"I am not optimistic," Mr. Peterle added, "because the violence persists and the Serbian mobilization continues."

Yugoslav Prime Minister Ante Markovic called meanwhile Thursday for "ending the clashes and reaching an agreement on the future of the country."

Meeting with leaders of the republic of Bosnia-Hercegovina in Sarajevo, Mr. Markovic said that all of the parties to the conflict have to reach agreement or Yugoslavia "will embark upon a political and economic disaster with unforseeable consequences."

He added that the country "will not be able to avoid a cataclysm" if it does not receive three billion dollars in emergency economic assistance.

Kacin Discusses Brioni Declaration Issues

LD1107210291 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 11 Jul 91

[Text] Let us start with a report on the news conference at Cankar Hall tonight, which was the shortest on record, having lasted a meager 15 minutes.

Republican Information Minister Jelko Kacin briefed the journalists on the arrival of the EC advance observers mission and the talks it has had in Ljubljana. Kacin said that Federal Army authorities tried to prevent the arrival of the 11-man EC delegation. However, after negotiations lasting one day, they decided to open the airport at Brnik, at least for the arrival of the mission.

Jelko Kacin stressed during his news conference that the guests held talks in Ljubljana tonight with several senior Slovene officials, mainly on technical details concerning the implementation of the Brioni agreement. Among other things, they discussed when, where, and on whose behalf the parties in dispute in Yugoslavia should sign this agreement. The moment the agreement has been signed, a 30 to 50-man observer mission will arrive in Slovenia, including civilian experts for military issues and civilians [as heard]. Kacin also said that Slovenia wants the agreement to be signed as soon as possible, and this also applies to the arrival of the observer mission. However, some recent events have shown that the Federal military brass [zvezni vojaski vrh] are deliberately delaying the signing of the Brioni Declaration.

Kacin on Checkpoint Incident, Other Issues

LD1107173891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1453 GMT 11 Jul 91

[Text] Ljubljana, 11 Jul (TANJUG)—"At 0530 this morning a convoy of five armored vehicles of the Yugoslav Army arrived at the border control point of Jelsane, between Slovenia and Croatia," Slovenian Minister for Information Jelko Kacin said at today's press conference, stressing that a Yugoslav Army officer threatened the use of weapons if there was any check of the vehicles. After the initial talks with the representatives of the Slovene Territorial Defense, one vehicle withdrew at 0615, while the other four are still there, according to Kacin, only on the Croatian side.

According to Kacin, a member of the Slovene Territorial Defense who was injured in an explosion of an antiaircraft missile died of his wounds at 2020 yesterday.

Regarding tomorrow's session of the Federal Presidency, Kacin stressed that it is felt in Slovenia that the Presidency should discuss the Brioni documents, and that, since this is not on the agenda, there is seen to be no reason for Dr. Janez Drnovsek to attend the session.

Asked whether the commander of the Ribnica police station has the right to harass non-Slovenes, Kacin said that he has no information on this. Asked what he thinks about the increasingly frequent migration of non-Slovenes, he replied that he "interprets this as fear of attack by the Yugoslav Army" and added "that it is the sovereign right of everyone to decide on their place of residence."

Army Attempt To Overthrow Government Reported

AU1207083191 Hamburg DIE WELT in German 12 Jul 91 p 6

[Boris Kalnoky report: "Intelligence Service Wanted to Overthrow Kucan"]

[Text] Bonn—The failed military operations of the Yugoslav Army against Slovenia probably were only one element of a comprehensive plan, which was aimed at overthrowing the Slovene Government. During the fighting from 27 June to 3 July the government of the republic, which is striving for independence, obviously managed to escape by a hair's breadth an attempt at overthrowing it by Yugoslavia's military intelligence service (KOS).

As DIE WELT learned from reliable sources, Colonel Miladin Nedovic, deputy chief of Yugoslavia's military intelligence service in Slovenia, made preparations to overthrow the government around President Kucan and Prime Minister Peterle and to install a "transition government." However, the Slovenes learned about the plan and, on 30 June, when the fighting with the Yugoslav Army was heaviest, they had Nedovic arrested in his apartment in Ljubljana, Grabloviceva Street.

According to this information, during the days preceding his arrest Nedovic had hardly been in his apartment. Perhaps he suspected that his plans had become known and preferred the safety of the federal barracks "4 July" in the Ljubljana district of Metlekova, where he has his office, rather than his apartment. When he did go home on 30 June, the door of his apartment was blown open with explosives by experts of the Slovene counterintelligence service. Nedovic had refused to open the door.

According to the information available, three Slovene former members of the former League of Communists of Yugoslavia were also involved in the plans for the coup, as were several Serbs who live in Slovenia. So far the Federal Government in Belgrade has always stressed that its actions were not aimed at overthrowing the government in Ljubljana but only at securing the borders.

Position of Slovene Monetary System Assessed

AU1107201391 Ljubljana Radio Slovene Network in Slovene 1700 GMT 11 Jul 91

[Helena Lovrencic report]

[Text] A regular news conference was held in the Cankar Hall this afternoon. Republican Finance Minister Dusan Sesok and France Arhar, governor of the National Bank of Slovenia, spoke about economic aspects of the military aggression against Slovenia. Here is Helena Lovrencic with the highlights from the news conference:

[Lovrencic] The guests have particularly explained to the journalists about the currently difficult position of the Slovene banks. Croatian banks are in the same position after the National Bank of Yugoslavia excluded them from the monetary system. According to the decision that has been in force for the 10th day, all loans to Slovene banks have been stopped, the banks themselves have been excluded from the foreign exchange market of the National Bank of Yugoslavia, it has been made impossible for them to take loans from abroad, and the delivery of money has been stopped.

According to Dr. France Ahar, the Slovene bank expected this decision to be lifted at yesterday's session of the governors, something that would have been in conformity with the Brioni Declaration stipulations, but this did not happen, because the Federal Secretariat for National Defense of the Federal Government advised the opposite because they say that the Slovenes are mistreating the members of the Yugoslav Army. A concrete consequence of this measure will probably be that we in Slovenia will gradually start introducing coupons and print money later.

We are still prepared for negotiations around a joint table in the presence of foreign observers who should assess the workings of the Yugoslav monetary system and say if there is still any possibility for a monetary union on the Yugoslav territory according to the European model.

Dr. France Arhar also said that the liquidity of (?Slovene) banks is good at the moment and that under normal conditions there will be no difficulties, provided that the Slovene citizens behave normally under these difficult conditions, that there are no excessive money withdrawals. He also explained that after the period of three months expires, the people would see what kind of money will be in distribution, so they should not keep money at home, but entrust banks with it.

In the continuation of the news conference, Information Minister Jelko Kacin said that observers of the European troika had already arrived in Ljubljana. Upon their arrival at Brnik airport, the airport was temporarily opened.

Jelko Kacin also denied that Janez Jansa held a secret meeting with General Raseta about which a Zagreb private paper, SLOBODNI TJEDNIK wrote. He also warned all citizens of Slovenia that military police had begun a search for soldiers who have defected and cautioned them against possible provocations.

He also said that Slovenia released all military prisoners this morning, including officers—which is in conformity with the Brioni Declaration—and now expects the Yugoslav Army to release Slovene soldiers and military prisoners in exchange.

Further on Monetary Problems

LD1107214291 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 11 Jul 91

[Text] Let us recall the afternoon press conference in Cankar Hall. The guests were Republican Finance Minister Dusan Sesok and France Arhar, governor of the Slovene National Bank [Narodna Banka Slovenije]. Among other things, Sesok expressed the view that the central Yugoslav bank is controlled by Serbia. He reinforced his statement by referring to the fact that the Council of Governors of the Yugoslav National Bank had refused to accept the Federal Government proposal for the decision to exclude Slovenia and Croatia from the Yugoslav monetary system to be rescinded. Sesok

accused the Yugoslav National bank of non-compliance with the Brioni agreement. The republican finance minister therefore invited the international monetary and political public, with the mediation of foreign observers, to help settle the relations between the Yugoslav National Bank and the Slovene bank, or the consequences will be very serious indeed [velikanski].

National Bank Governor Dr. France Arhar said in this connection that Slovenia will have to supply the banking system with its own currency, and make good the shortage of money in circulation with a gradual introduction of vouchers. This will go on until Slovenia has acquired its own currency and established its own monetary system, Arhar stressed.

BORBA on Drnovsek's Role in State Presidency

LD1107142891 Belgrade TANJUG in English 1338 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—Janez Drnovsek is not formally a member of the Yugoslav State Presidency in which he is representing Slovenia, but he can participate in its work with the authorization of the Slovenian Parliament, writes the Belgrade daily BORBA today.

BORBA carries an interpretation of Drnovsek's status in the Yugoslav Presidency made by President of the Slovenian Parliament France Bucar at yesterday's press conference.

Bucar also said that Drnovsek's participation and voting at sessions of the Yugoslav Presidency 'depended on the goodwill of the Yugoslav partners.'

After the breaking out of conflicts in Slovenia, three Slovene members of the Federal Government had returned to Slovenia at the order of the Slovenian authorities. Their return to Belgrade was announced yesterday by the Titograd Daily POBJEDA, but this has not been confirmed by Slovenia.

Slovenia also withdrew its delegates from both chambers of the Yugoslav Parliament two days ago.

Zagreb Protest Against Serb Violence in Slavonia

LD1207033891 Ljubljana Radio Slovenia Network in Slovene 0300 GMT 12 Jul 91

[Text] Zagreb: Over 30,000 inhabitants of the Croatian capital gathered yesterday evening for a protest meeting against the violence in Slavonia. Serbian terrorists have begun a ruthless war there against the Croats. The demonstrators expressed readiness to resist the hegemony of the Army and Greater Serbia.

All Slovene Roads Reported Passable

LD1007203691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1746 GMT 10 Jul 91

[Summary] Belgrade, 10 Jul (TANJUG)—The Slovene Ministry for Transport and Communications today informed the Federal Secretariat for Transport and Communications, at the latter's request, that all roads in Slovenia are now passable.

Border Checkpoint Barricades Remain

LD1107173391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1600 GMT 11 Jul 91

[Text] Buje, 11 Jul (TANJUG)—Despite the announcements made the day before yesterday by the police headquarters in Koper that the barricades on "the border checkpoint" between Slovenia and Croatia in Secovlje would be removed, this has not happened either yesterday or today.

The barriers which the Slovene Territorial Defense erected at 1100 27 June, have remained in Secovlje, while in Kastel they have been removed.

Territorial Defense Sets Up 'Control Posts'

AU1107205991 Belgrade RTV Sat TV in Serbo-Croatian 1730 GMT 11 Jul 91

[Nino Brajovic report]

[Excerpt] A tense cease-fire prevails in Slovenia today because even though life seems to be going on as usual, the order of the Slovene Territorial Defense is beginning to be carried out on setting up control posts [kontrolna rampa] in front of all premises of the Yugoslav People's Army.

We are reporting from one of the barracks not far from Maribor, which has been blockaded in this way. Territorial Defense Forces are checking all people at the entrance, including military personnel who have otherwise not left the premises for three weeks because of the possibility of being arrested.

All this is being done according to an order, a copy of which we have acquired from circles close to the Slovene Territorial Defense headquarters. The order bears the stamp of a military secret and specifies the way to check the Army units and points out the procedure to fully prevent any form of the combat readiness by the units.

Another copy shows the permit issued by the Territorial Defense to officers and civilians serving in the Yugoslav People's Army whose movements are restricted—in terms of time and location as well as their stays outside military premises. At the same time, a statement by the Slovene Secretariat for National Defense is also in circulation. It has been stamped strictly confidential and calls on the officers of the Yugoslav People's Army to switch to the Slovene Territorial Defense forces, whereby, we have unofficially learned, they will automatically be promoted.

In the vicinity of some military premises, loudspeakers broadcast a nighttime message from surrounding buildings calling on Army members to surrender. [passage omitted]

Updated Red Cross Figures on Casualties

LD1107175291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1513 GMT 11 Jul 91

[Text] Ljubljana 11 Jul (TANJUG)—According to the latest information from the Slovene Red Cross, 64 persons have died in Slovenia: 37 Yugoslav People's Army [YPA] members, seven members of the Slovene Territorial Defense, four policemen, six civilians, and 10 foreigners.

According to Red Cross information, 163 YPA members were wounded, as well as 105 members of the [Slovene] territorial defense, 28 policemen, 38 civilians and one foreigner.

A total of 2,984 YPA members were imprisoned, as well as 139 members of the Federal police and four civilians. The Slovene Red Cross explained this "change in the number of dead YPA members" compared to the previous information by saying that one dead member of the Slovene Territorial Defense had been recorded as a YPA member.

Likewise, "one person was reported dead by mistake."

Party Criticizes Slovene, Croatian Independence

LD1107214791 Belgrade TANJUG in English 2006 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—The president of the Socialist Party of Serbia (SPS), Borisav Jovic, said on Thursday that the ruling party of the biggest Yugoslav republic urged a "peaceful and democratic settlement" of the crisis in the country.

If such solutions are not possible, the "Serbian people will prepare themselves for defence," Jovic told a news conference.

Jovic is Serbia's representative in the eight-member Yugoslav collective state Presidency.

"The right of the Croatian people to secession was not disputed by anyone, but the right of the Serbian people to self-determination can also not be disputed," Jovic said and added that the Serbian people have opted to remain in Yugoslavia.

"A genuine war is being waged against Serbs living in Croatia. Thousands of refugees from these parts are arriving daily on the territory of Serbia," SPS Vice President academic Mihailo Markovic said.

Markovic accused the Slovenian leadership of "imposing a brutal and dirty war" on the Yugoslav People's Army in which many soldiers have been killed, even after the cease-fire accord.

This has, according to Markovic, reduced Slovenia's prospects of remaining in the Yugoslav community to a minimum.

In the event that the peoples of Bosnia-Hercegovina and Macedonia opt for independence, the Serbian people in these two ethnically mixed republics "will also be able to vote on what kind of community they wish to live in," Markovic said.

The SPS leadership today announced that it would call for the responsiblity of the Federal Government, since it "first gave the order on the taking over of borders (in Slovenia), and afterwards decided to suspend all actions."

This had, according to the SPS, "provoked an internationalization of the conflict in Yugoslavia and ruined the good reputation of Federal bodies and the Yugoslav Army."

Croatia

Mesic Tells Swedish Paper Chetniks Must Leave

PM1107144991 Stockholm DAGENS NYHETER in Swedish 9 Jul 91 p A8

[Report on interview with SFRY Presidency President Stipe Mesic by Disa Hastad in Brioni; date not given]

[Excerpts] Brioni—"We have to leave the war behind us, wipe the slate clean, as other peoples in Europe have done. We cannot now be reopening old wounds," Yugoslavia's newly elected President Stipe Mesic said in a late-night interview on the terrace after the Brioni negotiations.

DAGENS NYHETER asked him if the Croatian leadership made a tactical error and underestimated the rest of the world's concerns about Croatia's democratic credibility. The somber memory of the Croatian state, which was supported during the war by Nazi Germany and where Serbs, Jews, and gypsies were killed, still hangs over Croatia.

Not only in Serbia, but also abroad, reference is easily and routinely made to Croats as the successors of the fascist Ustasha.

Should not today's Croatian leadership have made some sort of symbolic declaration like that which West Germany's then federal chancellor, Willy Brandt, made when he knelt before the memorial commemorating the Nazis' extermination of the Jews at Auschwitz? We know that Croatian President Franjo Tudjman and Mesic belonged to the other camp, but that is not the case with all the members of their nationalist right-wing party, and not everyone outside Yugoslavia knows this.

But Stipe Mesic had his answer ready:

"Do you know, Yugoslavia is more concerned with World War II than any other country. And this is true of all republics and provinces. Our children have not had time to learn a lot of other things because so much attention has been paid to the war. For years our films were about the war. I think it is now time to put an end to all this.

"Do you know," Mesic continued, "people should not be overburdened with the past. We must let the old wounds heal." [passage omitted]

On the subject of the negotiations, which had just ended and which had dealt with the issue of Slovenia, he said they had been just as much about the future of Croatia:

"A lot of work is needed to bring about a dialogue and to reassure people of different nationalities who have come into conflict with each other as a result of indoctrination," he said. "This is the first of the conditions necessary for peace in eastern Croatia—and throughout today there have been reports coming in of shootings and deaths there."

The other condition, in Mesic's view, is that the armed outsiders who have entered Croatia must leave. Here he was referring to the militant Serbian groups who are now calling themselves Chetniks after the Serbs' wartime guerrillas who were loyal to the monarchy.

"If these Chetniks disappear the problems will be solved quite quickly," he said.

Can the EC do anything for peace in eastern Croatia? "Yes, they are taking action by sending observers who will be on their way to Yugoslavia very soon."

However, Stipe Mesic rejected any revision of republic borders.

"No, the borders must not be changed. These areas have always belonged to Croatia."

Mesic is unwilling to change borders even to "save Croat lives." He said soberly that what is important is to collectively guarantee the security both of Serbs and Croats.

Will Mesic, as supreme commander of the Army, intervene against Chief of the General Staff Blagoje Adzic who, according to rumor, wants to stage a military coup?

No. Mesic considers that in these inflamed times it is best to wait before calling people to account. The important thing is to create peace.

Vinkovci Police Report Armored Columns Moving

LD1207011191 Zagreb Radio Croatia Network in Serbo-Croatian 2300 GMT 11 Jul 91

[Text] According to information from the Vinkovci police station, at about 1700 hours a military column with five armored combat vehicles, five trailers with civilian registration numbers, and two smaller military trucks proceeded unannounced from Sid through Tovarnik. The column moved on through Djeletovci toward Orolik, where it left two trailers and the two smaller military trucks. The remaining part of the column reached Mirkovci via Slakovci and Stari Jankovci.

At the same time, a column of four self-propelled artillery weapons left the Vinkovci barracks for Mirkovci. A column of seven armored combat vehicles was moving from Vukovar via Negoslavci toward Slakovci and Srijemske Laze.

Meanwhile, the Jugoslavija Ekspres traveling from Belgrade was halted at 1900 hours at Sidski Banovci when the communication cord was pulled, after which a large group of civilians carrying travel bags got out.

Karlovac Police Deny Increased Army Activity

LD1107124791 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 11 Jul 91

[Text] We have just received a report from the Karlovac police which, in a way, rebuts reports which we broadcast earlier today.

According to the Karlovac police, there are no tanks on the town's streets or in the vicinity. The tanks are within the grounds of the barracks but their guns are aimed at nearby streets. Mines are clearly marked and there is no evidence that the Army has stepped up its activity.

The departure of Army families is a normal occurence at this time of year, that is, at the beginning of the vacation season when they go to visit their families elsewhere in Yugoslavia. Army helicopters seen over the town every so often regularly register their flights with the police authorities.

Traffic, Postal System Normal in Knin Region

LD1107142591 Belgrade TANJUG in English 1327 GMT 11 Jul 91

[Text] Knin, July 11 (TANJUG)—Road and railway traffic is regular in the Knin region, in southwestern Croatia, said a statement issued by the Knin Corps of the Yugoslav People's Army (YPA) which is supervising the situation in the region inhabited predominantly by Serbs and whose task is to prevent inter-ethnic clashes in the turbulent region.

Telephone and postal communications are also regular, as well as the supply of power, water and other necessities despite some difficulties, the statement said.

Knin is the center of the Serbian region of Krajina where the majority Serb population declared autonomy which the Croatian authorities do not recognize.

The YPA is 'carrying out the tasks as set out in the Yugoslav Constitution', says the statement, adding that the Army had 'moderate successes' in the task and that it is 'acting with the full understanding of the authorities in the Knin municipality' and 'cooperating with police stations in the towns of Sibenik, Zadar, Drnis and others'.

Fighting, Mining of Railroad Reported

AU1107171791 Vienna Oesterreich Eins Radio Network in German 1600 GMT 11 Jul 91

[Friedrich Orter report]

[Text] There were heavy explosions in a village near Osijek in eastern Croatia today. Several persons were killed by them. Croat police stormed the village that has been terrorized by Serbian Chetniks. There was also shooting in Karlovac this morning, in a barracks and in the center of the town. Forty commanders came from the south by trucks. Their families left the town last week and were resettled in Vojvodina. Some wives of military officers also gave up their jobs in Karlovac. The railroad line between Zadar and Knin was mined today. Units of the Federal Army from the border area between Slovenia and Croatia have reportedly tried to cross the border. However, they were stopped and sent back by units of the Slovene Territorial Defense Forces. The units are now on Croat territory.

Incidents Reported on Slovene-Croatian Border

LD1107174591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1505 GMT 11 Jul 91

[Text] Rupa, 11 Jul (TANJUG)—On the Croatian side of the Croatian-Slovene border, near the village of Rupa about 30 km from Rijeka, since this morning there have been two armored personnel carriers and three Pinc Gauer [as received] personnel carriers as well as about 20 members of the military police. Notices have been put up in positions on the Slovene side about a mine-field, while the border with Croatia, as over the last few days, is being protected by the Slovene police and members of the territorial defense.

As Josip Dukic, commander of the Opatija police administration, says, the causes of this deployment of units are unknown because neither last night nor this morning were there any incidents in Rupa. "The relocation of units of the Rijeka corps was not notified to the police, something whch contravenes the Brioni declaration," Josip Dukic believes.

We have learned in the information department of the Rijeka corps headquarters that military police and vehicles are positioned in this location to prevent checks on military vehciles which are supplying food, medical supplies and weapons to the barracks in Ilirska Bistrica. Over the past few days the Slovene territorials and police have been searching these vehicles and have confiscated weapons, issuing receipt notices to drivers. After military vehicles and police arrived in the barracks in Ilirska Bistrica this morning, supplies of water and electricity, as well as telephone lines, were cut. The Army then issued an ultimatum, threatening that if by 1600 the supply of water and electricity was not restored to its original state, the whole town would be left without electricity and water.

At about 1400 the barracks were again enabled to live and work normally, but the militlary vehicles and the police still do not intend to withdraw. "We believe that the military police have carried out a routine task of insuring the passage of military vehicles toward the barracks and that there was no need to inform the Opatija police adminstration about this," according to the information department of the Rijeka corps headquarters.

Dead, Wounded Reported in Osijek Skirmish

LD1107175491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1709 GMT 11 Jul 91

[Text] Osijek, 11 Jul (TANJUG)—Late this afternoon the tragic total of casualties in the armed clash, which began at 0200 last night in the Stadionsko naselje [stadium settlement] district of Osijek, was still not known. At that time "terrorists" began shooting from a house at a police patrol, according to official police sources. Two policemen were wounded in the incident.

After this, the police surrounded the house and in a sharp exchange of fire called on the "terrorists" to surrender. They, however, refused to accept this and said that they would only surrender to the Army authorities.

The skirmish continued this afternon, when one policeman was killed and another wounded. A woman was also wounded, who, it is claimed, was trying to throw a bomb at the police.

One attacker has been found dead, but it is not known how many of them are still in the basement part of the derelict house, and what condition they are in, the police sources stated.

Economy Loses $4.5 Billion From Blockades

LD1007103991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1121 GMT 9 Jul 91

[Summary] Zagreb, 9 Jul (TANJUG)—The Croatian economy is functioning in war conditions and all future measures should therefore be adapted accordingly. This was said at today's session of the Croatian Economic Chamber's executive committee. In this connection it is proposed to set up a group of experts to advise on specific measures for survival and for creating defense mechanisms which would at least help to maintain production and exports at the present level, considering that the Croatian economy, due to various blockades, has lost about $4.5 billion.

Serbia

Serbs, Hadzic Demand End to Attacks

LD1107213691 Belgrade TANJUG Domestic Service in Serbo-Croatian 2052 GMT 11 Jul 91

[Text] Borovo Selo, 11 Jul (TANJUG)—"If the attacks on Mirkovci, Tenja, and other surrounding Serbian villages do not stop, the people will rise up in a general uprising against the facist, Ustasha state."

This is what Goran Hadzic, presented as "the president of the Serbian government of Slavonija, Baranja, and the West Srem," said this evening in Borovo Selo to

domestic and foreign journalists. This government, said its president, was formed at the assembly session on 25 and 26 June, when it was decided that the Serbian National Council of Slavonija, Baranja, and the West Srem should be transformed into an executive organ.

Around 150,000 Serbs live in this region, which is somewhat more than 50 percent of the total population, continued Hadzic. Real military units have not yet been formed in this region, added the commander of the Territorial Defense, Ilija Kojic, as they have in Kninska Krajina. Whether they will be formed depends on the further development of events.

The Serbian people are in favor of a democratic solution, but two are necessary for a dialogue, stressed Kojic. He added that the Yugoslav People's Army is preventing an outbreak of conflicts.

Trade Unions Call For Serbian Protection

LD1107220791 Belgrade TANJUG in English 1942 GMT 11 Jul 91

[Text] Belgrade, July 11 (TANJUG)—Representatives of the Trade Union of Pristina and the Trade Union of Serbian Municipalities which have declared their autonomy within the Republic of Croatia (so-called Serbian Autonomous Region of Krajina) today warned that Serbs in several regions in Croatia were exposed to "genocide by rampant Ustasha hordes."

A statement from the joint meeting in Pristina, capital of Serbia's Province of Kosovo, demands that the Yugoslav Army "within 24 hours fully protect the threatened Serbian people in Baranja, Western Srem, Slavonia and the regions of Banija and Kordun."

If this demand is not met, the trade unions of Pristina and Sar Krajina will request that the Confederation of Trade Unions of Serbia send an appeal to the working class of the republic to rise to defend the Serbian people in those parts of Croatia, the statement said.

The Serbian Assembly's committee for relations with Serbs outside Serbia today decided to form a working group which will tour regions in Yugoslavia from which Serbs are fleeing.

Babic: Krajina 'Will Never Again' be Croatian

LD1107230191 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 11 Jul 91

[Text] In his interview for Belgrade radio, Dr. Milan Babic, president of the Serbian National Council and prime minister of the government of the so-called autonomous Krajina, said that Krajina, joined with Bosanska Krajina, will never again be a Croatian territory, regardless of Croatia's future status. Babic also said that the combined Serbian Krajina will not acceede to any ultimatums by foreign missions, although to all intents and purposes Yugoslavia has already landed under the tutelage of foreigners. He also said that a possible attack on Knin by Croatian armed forces would signal the end of the Croatian state. Babic also believes that Federal organs can no longer represent Yugoslavia as a whole. He said that Mesic and Drnovsek no longer have any business being in the Yugoslav Presidency, because their states are no longer within [okviru] Yugoslavia. He described the election of Mesic and the Brioni Declaration as humiliation for the Serbian people.

Federal, Serbian Debt Figures Reported

LD1007095491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1448 GMT 9 Jul 91

[Excerpt] Belgrade, 9 Jul (TANJUG)—By the end of March of the current year, Yugoslavia's foreign debt amounted to $15.9 billion. Serbia's share of the debt at the same time stood at $5.1 billion. This was said in a reply to a Assembly question by Zivoslav Adamovic, a deputy of the Socialist Party of Serbia.

It is stressed in the reply that Serbia's foreign indebtedness is not high and that there exists a realistic chance of maintaining the republic's liquidity vis-a-vis other countries at a satisfactory level. [passage omitted]

Socialists Support Formation of Voluntary Units

AU1107155091 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 11 Jul 91

[Text] In the recess during the session of the Main Committee of the Socialist Party of Serbia [SPS], a news conference was held at which journalists were presented with a political document on the activities of the SPS in the next three months. President Borisav Jovic, Vice President Mihajlo Markovic, and General Secretary Petar Skundric spoke to journalists. Let us hear a report from Zorica Pantelic:

[Pantelic] The platform was explained by academician Mihajlo Markovic. After the decision on secession by Croatia and Slovenia, the SPS thinks that it is essential to establish a program of work and activity because, he explained, if a peaceful and democratic solution is not possible, the SPS will not insist on this but, as has been said, the Serbian people will have to prepare themselves for defense. In this respect, the significance of establishing territorial defense was stressed, which does not challenge the right to set up voluntary units.

Regarding the Yugoslav People's Army, in the opinion of the SPS the Army is strong and well-equipped and could play an important role in preventing interethnic conflicts in Croatia. Academician Markovic said that the Serbian people will ("recognize) these traitors and [words indistinct] defense. If Slovenia and Croatia finally secede, the SPS, in its platform, [words indistinct] state of those peoples who want to remain in Yugoslavia. It was particularly stressed that the right of a people to self-determination, including secession, must be respected.

In reply to a question from journalists as to whether this related to Albanians, President Jovic said, invoking

constitutional provisions, that the right of people to self-determination as far as secession relates to all peoples in Yugoslavia but not to ethnic minorities too.

Federal organs should continue to work because Yugoslavia still exists, but, as it was said, it is irresponsible and unobjective [words indistinct]. The SPS [words indistinct] of the Federal Government. As regards the demand by some opposition parties for the formation of a government of national salvation, that is to say, a concentrated [koncentraciona] government, academician Markovic said that it has never been said that the government must contain the members of one party. These members could be people who do not belong to any party, the academician said.

The SPS will brief the Federal organs as well as the United Nations on [word indistinct] the number of refugees from Croatia. This was another answer to a question from journalists at the news conference that was organized by the SPS.

Assembly Statement Issued on Republic Integrity

LD1107175191 Belgrade TANJUG in English 1626 GMT 11 Jul 91

[Text] Sarajevo, July 11 (TANJUG)—The Parliament of Bosnia-Hercegovina today adopted a statement on the need for the preservation of the integrity and indivisibility of Yugoslavia's central republic, and of Yugoslavia as well.

The document was put before Parliament in the form of a resolution by the Socialist Democratic Party (SDP), the party of reformed Communists. The session, however, was not attended by Parliamentary parties rallying Serbs, and it had to be adopted only as a statement.

As announced, the document will be used by Parliament, and with the participation of the representatives of the three most numerous peoples in the republic to draw up a platform on the political fate of Bosnia-Hercegovina in about ten day's time. The platform will be an expression of the "will of all its citizens and peoples."

Bosnia-Hercegovina has a mixed population consisting of Serbs, Croats and Moslems.

The Serbian parties view the statement as unnecessary because all that is being said by it, has already "been clearly set out in the republican Constitution."

Since the start of the Yugoslav crisis, Bosnia-Hercegovina has been considered as one of its vital factors, and speculations have bee made with the possibility of its division in the event that Yugoslavia were to disintegrate.

President of the Republic of Bosnia-Hercegovina Alija Izetbegovic yesterday said categorically that Bosnia-Hercegovina would remain within Yugoslavia only if Croatia stayed in it too.

The republics of Slovenia and Croatia adopted unilateral decisions on independence on June 25, but a three-months-long moratorium has been placed on their implementation.

Bosnia-Hercegovina

Izetbegovic Deems Bosnian Situation 'Worrying'

AU1107164691 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 11 Jul 91

[Ljubomir Nikolic report from Sarajevo]

[Text] [Bosnia-Hercegovina Presidency President] Alija Izetbegovic has announced the internationalization of the problems of Bosnia-Hercegovina that threaten far-reaching interethnic conflicts. The same is said by Dr. Radovan Karadzic. Federal Executive Council President Ante Markovic visited Sarajevo today.

[Nikolic] We will send a letter today to the EC and ask it to send a goodwill mission to Bosnia and, if this does not help, a team of observers, too. This was said to journalists today by Alija Izetbegovic, who added that the situation in this republic is confused and that the latest events in the Bosnian Krajina and other parts of the republic are worrying.

According to Izetbegovic, Yugoslavia does not have [words indistinct] Bosnia-Hercegovina will not remain [words indistinct].

[Words indistinct] of republican leaders, Alija Izetbegovic replied that the meeting of the six presidents was due to have been held tomorrow in Belgrade, but some of them had not agreed to this. Then [Serbian Presidency President] Slobodan Milosevic rejected Brioni as a place to meet, so the greatest problem now is where to meet. Izetbegovic said that this meeting will most probably be next week.

He added that the organs of Bosnia-Hercegovina will investigate the latest events in Bosnian Krajina and establish the responsibility of some civil and military (?personnel) and call for their replacement.

The vast majority of citizens of Bosnia-Hercegovina are in favor of an indivisible, complete, and sovereign Bosnia-Hercegovina, and we will use all means, primarily political, to fight for this, Izetbegovic stressed.

The political parties also came out in favor of the internationalization of Bosnia-Hercegovina problems today. The Muslim Bosnian Organization, the Party of Democratic Action, the Croatian Democratic Community, and the Socialist Democratic Party think that the main danger to the integrity of this republic comes from Serbia and Slobodan Milosevic, but Dr. Radovan Karadzic said at a regular news conference that the coalition between the Party of Democratic Action and

the Croatian Democratic Community is leading Bosnia-Hercegovina into an alliance with Slovenia and Croatia and that the Serbian people in this republic will never agree to this.

In future talks on the fate of the country, Alija Izetbegovic cannot represent the Serbian people, and his stands and statements put Serbs on their guard and force them to seek the protection of federal organs and even international institutions, Karadzic stressed.

In talks with Alija Izetbegovic and Jure Pelivan today, Ante Markovic was briefed on the situation in Bosnia-Hercegovina. He advocated the implementation of the stands that were taken yesterday by the federal government, calling for peace, the functioning of the system, and talks on the future of the country.

Izetbegovic Seeks Greater International Attention

LD1107212891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1536 GMT 11 Jul 91

[Text] Sarajevo, 11 Jul (TANJUG)—The Presidency of Bosnia-Hercegovina is today sending a letter to the president of the European Community saying "that the international community should pay greater attention to Bosnia-Hercegovina, or, rather, to events in Bosnia-Hercegovina that can result in a conflict with extensive implications." This was stated at today's news conference by Alija Izetbegovic, president of Bosnia-Hercegovina, adding that the community is asked to send a goodwill mission to Bosnia-Hercegovina and, if necesary, observers.

Izetbegovic also said that demobilization is taking place in Bosanska Krajina. Asked by journalists about the number of people who were mobilized, he replied that 24,000 call-up papers were sent out, but 4,000 did not respond.

Asked by a Yutel journalist whether he intends to hold talks with Slobodan Milosevic concerning the situation in Bosanska Krajina, Izetbegovic said that "such a meeting has not been planned, but it will be necessary."

The journalists asked Izetbegovic to say who is "the head of a neighboring state and the leader of a political party, mentioned by the prime minister of Bosnia-Hercegovina, who participated in the mobilization on Bosanska Krajina." Alija Izetbegovic said that there are certain indications and that he, as president of the republic, and also Pelivan, as prime minister, could not mention the names since the matter is being investigated.

"The six republican leaders will not be in Belgrade tomorrow because some of them have not agreed to meet in the capital of Yugoslavia," Alija Izetbegovic said in reply to a question on whether all will attend the SFRY Presidency session as announced. Izetbegovic said that "a neutral place was sought for the meeting," adding that "Slobodan Milosevic did not agree that the meeting of republican presidents, or presidents of the republican presidencies, should be held in Brioni."

Dubrovnik is an option, Izetbegovic said, adding that the question is on the venue, and "it is difficult to speak about the subject matter at the moment." Izetbegovic believes that the meeting of all republican leaders will take place in the middle of next week.

In conclusion, the president of Bosnia-Hercegovina said that at the end of this month he and Kiro Gligorov, president of the Republic of Macedonia, will together visit the United States, where they expect to hold talks with the assistant secretary of state and the national security adviser and will very likely also meet Secretary of State James Baker.

Mobilization Will Be Halted in Banjalaka

LD1007113791 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 9 Jul 91

[Text] During the interval in today's session of the Bosnia-Hercegovina Assembly, Muhamed Cengic, vice president of the Bosnia-Hercegovina Government, convened a news conference to announce that he had just received a report about the Banjaluka mayor declaring a state of emergency in the region. According to Cengic, mobilization of the Territorial Defense is also underway in Banjaluka. Since both decisions are in contravention of the Bosnia-Hercegovina Constitution, Muhamed Cengic said they will be annulled and the Bosnia-Hercegovian Territorial Defense commander will shortly issue an order halting the mobilization.

Muhamed Cengic also said that a three-member delegation from Bosnia-Hercegovina, including him, was today refused permission by the military authorities to visit Bosnia-Hercegovina soldiers stationed in Croatia as envisaged by a decision passed yesterday by the Bosnia-Hercegovina Presidency.

Krajina Officials Welcome Mobilization

AU1107212791 Belgrade RTV Sat TV in Serbo-Croatian 1730 GMT 11 Jul 91

[Text] The decision by the National Defense Council of the Banja Luka Communal Assembly—according to which the mobilization of the units of the Territorial Defense, civil defense, and reserve militia forces has been carried out in line with the extraordinary situation in this area—has caused different reactions ranging from general support from all patriotic forces to denial of the legality of the decision by deputies in the Bosnia-Hercegovina Assembly and some republican organs.

This was the reason for Vojo Kupresanin, president of the Assembly, and Andjelko Grahovac, president of the Executive Council of the Community of the Communes of the Bosnian Krajina, to appear in public today stressing that this is not the time for the conciliatory signals coming from the republican leaders of Bosnia-Hercegovina, but for general mobilization with the intention of verifying the combat readiness and preparedness of all forces for carrying out their tasks in case

the need arises to protect people and material goods and with the aim of saving Yugoslavia from a fratricidal war.

Are the barricades manned by armed policemen, the trenches and machine-gun pits on the left bank of the Sava, and the flight and persecution of Serbs from Croatia who have abandoned their hearths not sufficient warning that danger hangs over the citizens of Bosnia-Hercegovina? Individuals want to play down this danger that threatens Krajina people even though they have not yet visited the crisis areas alongside the Sava and Una, Kupresanin and Grahovac.

The officials of the Bosnian Krajina stress that the mobilization was carried out in line with the law and constitutional powers and that the units will be put under the command of the Yugoslav People's Army. The response from members of units in some Krajina communes has been 100 percent since volunteers have been registering with the units.

A rally for Yugoslavia will be organized in Banja Luka. In parallel with the mobilization in Bosnian Krajina, the wheat harvest is under way.

Macedonia

Vice President Georgievski on Macedonia, Balkans

AU1107180291 Skopje NOVA MAKEDONIJA in Macedonian 8 Jun 91 p 17

[Interview with Ljupco Georgievski, vice president of the Macedonian Presidency, by Julijana Kocovska; place and date not given: "Shall We Wait To be Recognized!?"]

[Excerpts] We are talking to Ljupce Georgievski in his cabinet at a time when results of the meeting between six presidents of Yugoslav republics in Sarajevo were still not known. We ask the leader of the party with the largest number of deputies in the Macedonian parliament, who became a professional politician at the age of 26, to substantially elaborate on the controversial stands he has previously taken on Yugoslavia's unity, a Macedonian state, and a Balkan federation. This is a logical question because Georgievski's position as a statesman implies advocating the interests of the Macedonian people and the citizens of Macedonia.

[Kocovska] You have been occupying the post of vice president of the Republic and of head of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] with an officially frozen presidential post. After your several visits abroad and frequent appearances in the assembly, the public here has the impression that your public statements bear a recognizable party hue. Do you feel there is a conflict between President Gligorov's platform that was adopted in the Assembly and the one advocated by your party?

[Georgievski] Regarding the stands, I can freely say that I do not feel any conflict between what I personally advocate and the stands of the Macedonian Assembly, that is, between the platform and the stands that support the Macedonian state, that is, a union of sovereign states. What I have to say is that I have always supported this idea in principle and stood behind it, and I may sometimes elaborate on something about which the Macedonian state still has no stand. It is normal that a politician may freely give his assessments and estimates of something about which there is still no stand.

The main principle is the union of sovereign states and I support it. As for the fact that some of these things are identical with the VMRO-DPMNE party program, I think that this is normal, because since its very beginnings, this party has been supporting the union of sovereign states and the visions that it issued in this respect are identical with the Macedonian state's stands on the union of sovereign states. Therefore, the identicality between state and party programs has become greater as Macedonia has developed its views from its stand on a federation to its stand on a union of sovereign states.

[Kocovska] In your statements, you mainly express your discontent with the sluggishness with which Macedonia is achieving its independence. What are your views about solutions to the Macedonian national question within a confederation, particularly as there is a warning that the reserve option—secession—is too much of a risk for Macedonia?

[Georgievski] I think that confederation or a union of sovereign states represents a minimum with which one can preserve any Yugoslav community. I think that the Macedonian state is of the same opinion, because this is what it advocates. I also think that it would be an ideal solution at this moment. Why? Because at this moment, Macedonia is not so much ready to become a separate state, just as no republics in Yugoslavia are ready to become separate states. However, secession, that is, the separation of the state of Macedonia from the rest of Yugoslavia is imposing itself upon us as a reality more and more. I think that I am not in a conflict with Macedonian representatives in this respect either, because many of them have pointed out that if one republic secedes from Yugoslavia, we are not going to remain with the rest of the federation either—and as far as I can remember, during the election campaign, all parties in Macedonia have said the same. Therefore, our stand is identical with the ones of all parties in Macedonia.

[Kocovska] Macedonia in a Balkan confederation is characteristic of your political thoughts. Please give us an extensive reply about how a Balkan confederation is at all possible under conditions in which official Greece and Bulgaria do not recognize the Macedonian people and the Macedonian minority in these countries?

[Georgievski] Whenever I mention the Balkan federation I am criticized that I am again advocating narrow party views or personal views. If one looks into Macedonian history, one can see that the idea of a Balkan federation or confederation or a Balkan community has existed for more than 150 years. [passage omitted]

[Giorgievski continues] The question being asked now is how to create a Balkan confederation. I have always said that Macedonia has not had any foreign policy of its own for 45 years, that the entire Macedonian foreign policy has been Yugoslav foreign policy and there is an essential difference between the two. For 45 years we, as a Macedonian state, have not had any political contacts with Albania, Greece, or Bulgaria.

[Kocovska] I have to intervene here, because I must say that this is not true.

[Georgievski] Well, I mean there have been no direct contacts, without the presence of ambassadors, or this or that person. Direct contact that matters would be the one between the president of the Macedonian state in a tete-a-tete talk with representatives of Bulgaria, without any representatives of Yugoslavia to interfere, to lay the cards on the table, or the like. [passage omitted]

In my opinion, at this moment, Macedonia should start initiatives on opening talks with all Balkan neighbors. In these talks, the question of recognition should be only one of perhaps 10 or 15 items discussed in the talks. One should first talk about economic, cultural, political, and other links. I think that we are pushing Macedonia into serious isolation by refusing any contact only because somebody recognizes us or not. [passage omitted]

Andov Discusses Forming Independent State

LD1107172791 Belgrade TANJUG in English 1614 GMT 11 Jul 91

[Text] Skopje, July 11 (TANJUG)—Macedonia "will most probably opt for establishing an independent state" in case Yugoslavia "disintegrates," as Macedonian Parliament President Stojan Andov said in an interview to the Skopje weekly PLUS published today.

Macedonians do not want to limit "either the circle for stregthening their sovereignty or the circle for cooperation," Andov said.

Macedonia will try to accomplish these goals within the "existing organization of the Yugoslav countries," but, should it prove unachievable, it will "seek a new way to regulate its relations with all, not with what would remain" of the state after Slovenia's and Croatia's secession, Andov set out.

"The Yugoslav crisis is not closed" and "cannot be solved by internal forces alone," Andov said.

"Foreign factors are holding the trump cards in their hands" and will "show them only after the expiration of the three-month moratorium" on implementing Slovenia's and Croatia's independence acts, as Andov said.

"The realization of strategic interests of the principal international factors will to a great extent depend on the situation in Yugoslavia," that is, on whether "any delusion on preserving socialism and communism will survive" in the country, Andov set out.

According to Andov, the existence of a real force to work on the renewal of socialism would objectively cause great damages to the settlement of the Yugoslav crisis.

In that respect, Andov put an emphasis on the Army, which has, as he said, triggered "many doubts in the influential political factors abroad" by supporting the "social ownership and socialism... some of its (Army's) moves to calm the situation are therefore being readily rejected as an attempt to restore communism," Andov concluded.